

VVM'S SHREE DAMODAR COLLEGE OF COMMERCE & ECONOMICS
F.Y.BBA(FS), SEMESTER II, SEMESTER END ASSESSMENT, APRIL 2018

SUBJECT: COST ACCOUNTING

TIMING: 3 HOURS

MARKS: 60

Important Instructions:

- Q1. is compulsory. However answer any four available from Q2. to Q6.
- Start each question on a fresh page
- Figure to the right indicate maximum marks

Q1. Write a short note on any four of the following:

(4 x 3 Marks) ... 12 Marks

- Simple average method of valuation
- Process costing
- Need for contract costing
- Inventory valuation
- Fixed and Variable cost

Q2. Following particulars are available of textiles Ltd for the year ending 31st March 2017. (Figures are mentioned in Rs.)

	1-3-2017	30-3-2017
Stock of Raw Material	75,000	91,500
Stock of Work-in-Progress	28,000	35,000
Stock of Finished Goods	54,000	31,000

Direct Expenses	1,500	Sales	2,11,000
Raw Materials Purchased	66,000	Salesmen Commission	6,500
Direct Wages	52,500	Office Rent, Rates etc.	2,500
Indirect Wages	2,750	Sundry Office Expenses	6,500
Factory Expenses	25,000	Advertisement	3,500
Depreciation on Plant	3,500	Carriage Outwards	2,500

Prepare a cost sheet for the above period.

... 12 Marks

Q3. a) Prepare a Stores Ledger Account from the following information adopting LIFO method of pricing of issues of materials:

- 01.4.2016 Opening balance 5000 kgs @ Rs. 20 per kg.
02.4.2016 Issued to Department A - 700 kgs
05.4.2016 Received from suppliers - 2000 kgs @ Rs. 19 per kg.
07.4.2016 Issued to Department B - 1400 kgs
10.4.2016 Issued to Department C - 1100 kgs
14.4.2016 Received from suppliers - 2500 kgs @ Rs. 22 per kg.

- 18.4.2016 Issued to Department D - 1750 kgs.
 22.4.2016 Returned from department B (out of issue on 7.4.2016) - 50 kgs.
 26.4.2016 Received from suppliers - 1000 kgs @ Rs. 23 per kg.

... 08 Marks

b) Discuss the advantages of cost accounting.

... 04 Marks

Q4. The raw material processed in three stages and is produced in three grades in Mehta Processing Ltd. The information relating to processes are available as below:

<i>Particulars</i>	<i>Process – A</i>	<i>Process – B</i>	<i>Process – C</i>
Direct Material	7800	5940	8886
Direct Wages	6000	9000	12000
Production Overheads	6000	9000	12000

3000 units @ Rs. 3 each were introduced to process – I. There was no stock of materials or work in progress. The output of each process passes directly to the next process and finally to finished stock A/c.

The following additional data is obtained:

<i>Process</i>	<i>Output</i>	<i>Normal Loss in %</i>	<i>Realisable Value of Scrap</i>
Process A	2,850	5%	2
Process B	2,520	10%	4
Process C	2,250	15%	5

Prepare Process accounts, Abnormal Gain/ Abnormal loss account.

... 12 Marks

Q5. a) From the following particulars of M/S. Jyoti Associates prepare contract account. Following are the expenditure made on the contract till date:

Particulars	Amount (Rs.)
Materials Purchased	5,00,000
Salary to foreman	90,000
Direct wages	2,40,000
Direct expenses	2,70,000
Apportioned expenses	4,00,000
Plant value at the beginning of the period	4,50,000
Depreciation for the period	10%
Contract value	22,00,000
Work completed	2/3 rd of contract value
Work certified	50% of contract value
Cash received	10,00,000
Material on site at the end of the year	90,000

The plant has been used for the contract for a period of 150 days and one supervisor devote 1/4th of his time for this contract who has taken a salary of Rs. 10,000 pm during the period of the contract. You may assume 360 days as one year. **... 09 Marks**

b) Explain the below given terms used in process costing

i) Normal Loss

ii) Abnormal Loss

iii) Abnormal Gain.

... 03 Marks

Q6. x) Explain the concept of unit costing with a suitable example.

... 06 Marks

y) 'Job order costing is a system for assigning manufacturing costs to an individual product or batches' – Comment

... 06 Marks