

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao- Goa
First Year BBA (FS) – Semester II
End Semester Examination, April 2016

COST ACCOUNTING

Duration: 2 Hours

Max.Marks: 60

Instructions:

- *Figures to the right indicate maximum marks*
- *Answer any FIVE questions from the following*
- *Start each new question on a fresh page*

Q.1. Prepare Cost Sheet considering following information: **(12)**

The accounts of Rain Manufacturing Company for the year ended December 2013 showing the following:

Particulars	Amount (Rs)	Particulars	Amount (Rs)
Power expenses	6,500	Material purchased	1,85,000
Counting house salaries	12,600	Travelling expenses	2,100
Carriage outward	4,300	Travelers salaries and commission	7,700
Carriage on purchases	7,150	Productive wages	1,26,000
Bad debts written off	6,500	Depreciation on plant	6,500
Repairs of plant	4,450	Depreciation on furniture	300
Rent of factory	8,500	Directors fees	6,000
Rent of office	2,000	Gas and water of factory	1,200
Sales	4,61,100	Gas and water of office	400
Stock of materials on 31.12.2012	62,800	Managers salary (3/4 factory and 1/4 office)	10,000
Stock of materials on 31.12.2013	48,000	General expenses	3,400

Prepare statement giving the following information:

- a) Material consumed
- b) Prime cost
- c) Factory overhead and the percentage on wages
- d) Factory cost
- e) General overhead and the percentage on factory cost
- f) Total cost
- g) Net profit

Q.2. The following is the history of the receipt and issues of material in a factory during March 2015 extracted from M/S Riya & Co: (12)

Date	Particulars
1 st March 2015	Opening Balance 100 units @ Rs.26
5 th March 2015	Purchased 500 units @ Rs.24.50
7 th March 2015	Issued 750 units
10 th March 2015	Purchased 1500 units @ Rs.24
12 th March 2015	Issued 1100 units
15 th March 2015	Purchased 1000 units @ Rs.25
17 th March 2015	Issued 500 units
18 th March 2015	Issued 300 units
25 th March 2015	Purchased 1500 units @ Rs.26.
29 th March 2015	Issued 1500 units.

Prepare Store Ledgers under FIFO Method

Q.3.a) 'Process Costing is a method of costing used to ascertain the cost of the product at each process'-Comment. (04)

Q.3.b) The product passes through three processes. The necessary information is as follows: (08)

Particulars	Process I	Process II	Process III
Raw Material (in tonnes)	2,000	-	-
Rate of Raw Material per tonne	Rs.400	-	-
Manufacturing Wages	Rs.2,00,000	Rs. 85,500	Rs1,30,050
Weight Loss (% of input)	5%	10%	20%
Quantity of scrap (in tonnes)	100	60	102
Sal value of scrap per tonne	100	100	100
Selling price of output per tonne	Rs.700	Rs1000	Rs.1600

2/3 of output of Process I and 1/2 of the output of Process II are transferred to next process at cost and the balance was sold. The processes does not observe any Abnormal Loss or Abnormal gain

Q.4. Renya Construction Ltd has undertaken two contracts House A and House B. The following particulars are obtained at the yearend 31st December 2015: (12)

Particulars	House A 1 st April	House B 1 st Sept
Date of commencement	1 st April	1 st Sept
Contract Price	6,00,000	5,00,000
Material issued	1,60,000	60,000
Material returned	4,000	2,000
Material at site on 31 st December	22,000	8,000
Direct Labour	1,50,000	42,000
Direct Expenses	66,000	35,000
Plant installed at site	80,000	70,000
Establishment expenses	25,000	7,000

Value of plant on 31 st December	65,000	64,000
Cost of contract not yet certified	23,000	10,000
Value of contract certified	4,20,000	1,35,000
Cash received from contractee	3,78,000	1,25,000
Architect fees	2,000	1,000

During the period material amounting to Rs.9,000 has been transferred from House A to House B . You are required to prepare Contract Account and Balance Sheet.

Q.5.a) In a factory two types of radios are manufactured, Orient and Sujon model. (06)

From the following particulars, prepare a statement showing cost and profit per radio sold.

Particulars	Orient (Rs.)	Sujon (Rs.)
Material	27,300	1,08,680
Labour	15,600	62,920

Works overhead is charged at 80% on labour and office overhead is taken at 15% on works cost. The selling price of both radios is Rs.1,000 per radio. 78 Orient radios and 286 Sujon radios were sold.

Q.5.b) From the following transactions prepare store ledger: (06)

January	Purchased 100 units @ Rs.4 per unit
February	Purchased 200 units @ Rs.4.50 per unit
March	Purchased 300 units @ Rs.5 per unit
April	Sold 70 units
May	Sold 150 units
July	Purchased 200 units @ Rs.5 per unit
December	Sold 100 units

Ascertain the quantity of closing stock under Weighted Average Method.

Q.6. a) 'Cost Accounting assists management of a company to take decisions'-Comment. (06)

b) What do you mean by Inventory Valuation? Discuss the different methods of Inventory Valuation. (06)

Q.7. a) 'Unit Cost is the cost incurred by a company to produce, store and sell one unit of a particular product'-Comment. (06)

b) Explain the meaning of Job Costing Order with help of an example. (06)
