

FOUNDATION COURSE- COST ACCOUNTING (OLD COURSE)

Duration: 2 Hours

Total Marks: 80

Instructions:

- i. Attempt any **FOUR** questions
- ii. Figures to the **right** indicate **maximum** marks to the question.

Q1. From the following data, prepare a Cost Statement showing the Cost of Material consumed, Prime Cost, Works Cost, Cost of Production, Total Cost and Profit.

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	Rs.
Opening Stock of Raw Material	62,800
Closing " " " "	48,000
Material purchased	1,85,000
Productive Wages	1,26,000
Carriage on Purchases	7,150
Carriage Outwards	4,300
Office Salaries	12,600
Plant Repairs	4,450
Rent, Taxes & Insurance – Factory	8,500
" " " - Office	2,000
Sales	4,60,000
Salesmen's Salaries	8,000
Travelling Expenses	2,500
Depreciation on Plant	6,500
" " Furniture	500
Director's Fees	6,000
Gas & Water - Factory	1,200
" " - Office	400
General Expenses	3,500

Q2. From the following information, prepare a Statement reconciling the Cost Profit with Financial Profit :

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	Rs.
Net Profit as per Cost Accounts	75,000
- Works Overheads under-recovered in Cost Accounts	6,240
- Depreciation overcharged in Cost Accounts	2,600
- Administration Overheads over recovered	3,400
- Interest on Investments	17,500
- Goodwill written off in Financial Books	11,400
- Income Tax paid	80,600
- Stores Adjustment (credit in Financial books)	950
- Depreciation of Stock charged in Financial books	13,500
Find the Profit as per Financial Accounts.	

Q3. Prepare a Statement showing Primary Distribution of Overheads from the following data :

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		A	B	C	D	E
Direct Wages	Rs.	2,000	3,000	4,000	1,000	2,000
Direct Material	Rs.	1,000	2,000	2,000	1,500	1,500
No. of Staff		100	150	150	50	50
Electricity	Kwh	4,000	3,000	2,000	1,000	1,000
Light Points	No.	10	16	4	6	4
Asset Value	Rs.	60,000	40,000	30,000	10,000	10,000
Area	Sq. ft.	150	250	50	50	50

The expenses for the period were:	Rs
Motive Power	550
- Lighting	100
- Stores Overheads	400
- Amenities to Staff	1,500
- Rent	2,750
- Depreciation of Assets	15,000
- Repairs & Maintenance	3,000
- General Overheads	6,000

Q4. The Departmental Overhead expenses as per the Primary Distribution Summary were as follows:

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Dept. A – Rs.7,550, Dept. B - Rs.7,200, Dept. C – Rs.9,650,
Dept. D – Rs.4,625, Dept. E – Rs.1,575.

A,B and C were Production Departments and D and E were Service Departments.

Apportion the Service Department expenses as follows :

	A	B	C	D	E
D	20%	30%	40%	-	10%
E	40%	20%	30%	10%	-

Prepare the Secondary Distribution Summary following the :

- Repeated Distribution Method and
- Simultaneous Equation Method.

Q5. Calculate the Machine Hour Rate for Machine 'X' from the following information:

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- Purchase price of Machine - Rs.90,000
- Freight and Installation charges - Rs.10,000
- Life of the Machine is 10 years @ 2,000 working hours per year
- Repair charges - 50% of Depreciation
- Consumption of Electricity - 10 units per hour @ 70 paise per unit
- Lubricating Oil @ Rs.2 per day of 8 hours
- Consumable Stores @ Rs.10 per day of 8 hours

Q6. Write short notes on any FOUR of the following :

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- Expenses debited to Profit & Loss A/c but not in Cost Accounts
- Works Overheads
- Labour Turnover
- Idle Time and its causes
- Direct Costs & Indirect Costs
- Time Rate & Piece Rate.