

Vidya Vikas mandals

Shree Damodar college of Commerce and Economics, Margao Goa

Second year B Com – Semester III

Semester end examination, October 2015

New syllabus w.e.f. June 2014

Duration – 2 hours

Financial Accounting

Max. marks 80

Instructions – 1. Question number 1 is compulsory

2. Answer any three questions from question no. 2 to 6

Question No. 1. The following is the summarised trading and profit and loss account of Bajaj Ltd. for the year ending 31st March 2015 in which 800 water heaters were sold by the company.

Trading and profit and loss account for the year ended 31 st march 2015			
To, Cost of Materials	3,20,000	By Sales	16,00,000
To, Direct wages	4,80,000		
To, Factory charges	2,00,000		
To, Administrative expenses	4,00,000		
To, Selling expenses	80,000		
To Provision for tax	20,000		
To Net Profit	1,00,000		
	16,00,000		16,00,000

The following estimate made by the costing department of the company for the financial year 2015 - 2016

1. The output and sales will be 1600 water heaters.
2. The price of material will increase by 25 percent on the previous year level.
3. Wages will decrease by 15 percent on the previous year level.
4. Factory overheads will rise in proportion to prime cost.
5. Administrative overheads will remain unaffected over rise in output.
6. Selling overheads per unit will increase by 10 percent over previous year level.

From the above information prepare

1. Cost statement for the year ended 31st march 2015.
2. Estimated cost statement for financial year 2015-16, showing price at which the water heaters to be sold to make a profit of 15 percent on selling price. (20 marks)

Question No. 2 The following details are available from the books of accounts of Bharat Construction for the year ended 31st march 2015 with respect to construction of Road from Margao to Fatorda.

Particulars	Rs.
Material sent to site	5,12,000
Labour	4,66,000
Plant installed at site (cost price)	1,00,000
Direct expenses	24,000
Establishment expenses	29,000
Material returned to store	2,000
Material lost	3,000
Material sold (cost price Rs 3,000)	4,000
Work uncertified	32,000
Material at site on 31 st March 2015	12,000
Outstanding wages	11,000

The contract price agreed upon with the contractee is Rs 13,00,000 . Cash received on account is Rs 8,56,000 being 80 percent of work certified. Plant to be depreciated at 20 percent.

You are required to prepare the contract account and contractee account for the year ended 31st march 2015 showing clearly the amount of profit to be transferred to profit and loss account. (20 MARKS)

Question No. 3. A product passes through three processes – A , B and C. the details of units introduced, cost, normal wastage and output, of three processes during the year 2015 were as under. Prepare the three process accounts. (20 marks)

Process	A	B	c
Units introduced	10,000		
cost per unit Rs 100			
Sundry material (Rs.)	30,000	80,000	65,000
Direct labour (Rs)	10,000	15,000	5,000
Direct expenses (Rs.)	6,000	18,150	27,200
Output (units)	9300 units	5400 units	2100 units
Output transferred to next process	2/3	1/2	-
Output sold	1/3	1/2	Entire
Selling price per unit of output (Rs)	120	165	250
Weight lost (percentage of input of each process)	5	5	10
Scrap (percentage of input of each process)	NIL	10	10

Question No. 4. The following is the trading and profit and loss account of Monginis Ltd for the year ended 31st March 2015

Particulars	Rs.	Particulars	Rs.
To, Material consumed	7,08,000	By, Sales (30,000 units)	15,00,000
To, Direct wages	3,71,000	By, Finished stock (1000 units)	40,000
To, Works overheads	2,13,000	By, Work in progress	30,000
To, Administrative overheads	95,500	By, Dividend received	14,000
To, Selling overheads	1,13,500		
To, Preliminary expenses	9,000		
To, Income tax	5,000		
To, Net profit	69,000		
	15,84,000		15,84,000

Proprietors costing records shows that

1. Works overhead have been charged at 25 percent of prime cost.
2. Administrative overheads have been recovered at Rs. 4 per finished units.
3. Selling overheads have been recovered at Rs. 3 per unit sold.

Prepare

1. A Cost statement for the year ended 31st March 2015 indication costing profit
2. A statement reconciling the profit as disclosed by cost accounts and that shown in financial accounts (20 Marks)

Question No. 5

1. Paulo Travels is running 5 buses between Margao and Mapusa, which are 50 Kms apart, seating capacity of each bus is 30 passengers . The following particulars where obtained from their books for September 2015.

Cost items	Rs.
Wages of driver	75,000
Salaries of office staff	20,000
Diesel and oil	35,000
Repairs and maintenance	8,000
Insurance	10,000
Taxation	6,000
Depreciation	26,000
Interest	20,000

Actual passengers carried were 75 percent of seating capacity. All buses ran on all the days of the month and each bus made one round –trip per day. Find out the cost per passenger –kilometre (10 marks)

Question No. 5

2. Pastry Palace is selling two types of pastries, from the following information prepare marginal cost statement for each product and calculate (10 Marks)

1. Contribution per unit and total for each product
2. P/V Ratio for each product
3. Breakeven point in units and volume for each product

	Product A	Product B
Sales(Units)	10,000	20,000
Selling price per unit (Rs.)	60	40
Variable cost per unit	36	20
Total Fixed cost	2,00,000	4,00,000

Question no 6. Write short notes on any four (4X5) 20 Marks

1. Normal and abnormal loss
2. Overheads
3. Variance analysis
4. Budgeting
5. Operating costing
6. Techniques of costing