

Vidya Vikas Mandal's
Shree Damodar College of Commerce and Economics Margao-Goa
S.Y.BCOM SEM III, MAY/JUNE SUPPLEMENTARY EXAMINATION 2017
FINANCIAL ACCOUNTING III

Duration: 2 hours

Max. Marks: 80

Instructions:

- Figures to the right indicate maximum marks.
- **Q1** is compulsory
- Answer **Any Three** from **Q2 to Q6**.

Q1. The following details have been obtained from the cost records of ABC Ltd for the month of September 2015.

Particulars	(Rs)
Stock of raw materials on 1-9-2015	75,000
Stock of raw materials on 30-9-2015	91,500
Direct wages	52,500
Indirect wages	2,750
Work in progress on 1-9-2015	28,000
Work in progress on 30-9-2015	35,000
Purchase of raw materials	66,000
Factory rent and rates	15,000
Depreciation on Plant and Machinery	3,500
Carriage Inward	1,500
Carriage Outward	2,500
Advertisement Expenses	3,500
Office rent and tax	2,500
Travellers wages and commission	6,500
Stock of finished goods on 1-9-2015	54,000
Stock of finished goods on 30-9-2015	31,000
Profit (20 % on selling price)	

Prepare a Cost sheet showing clearly:

- a) Cost of raw materials consumed
- b) Prime cost
- c) Works cost
- d) Total cost
- e) Total sales
- f) Percentage of Factory overheads to Direct wages
- g) Percentage of Office overheads to Works cost

(20 Marks)

Q2. M/s DLF Ltd began construction on 1st April 2015. During the year, the company was engaged only on one contract. The contract price was Rs. 15 Lakhs. Of the Plant and Material charged to the contract, Plant costing Rs 10,000 and Material costing Rs 4,000 were lost in an accident.

On 31st March 2016, Plant costing Rs. 10,000 was returned to the stores. Cost of Work Uncertified was Rs 12,000 and Material costing Rs 4,000 were in hand on site. Charge 10% depreciation on the Plant. Prepare Contract Account and Balance sheet as on 31st March 2016 from the following Trial balance:

(20 Marks)

Particulars	Dr	Cr
Share Capital		2,40,000
Creditors		1,30,000
Cash Received (60% of Wok Certified)		6,00,000
Land and Building	90,000	
Bank Balance	2,50,000	
Materials	1,50,000	
Plant	80,000	
Wages	2,80,000	
Expenses	1,20,000	
	<u>9,70,000</u>	<u>9,70,000</u>

Q3. The product of a company passes through 3 distinct process before completion. The following data is available for the cost records.

Particulars	I	II	III	TOTAL
Direct Material (Rs)	2,500	1,500	1,000	5,000
Direct Wages (Rs)	2,250	2,600	1,400	6,250
Production Overheads (Rs)	-	-	-	6,250

500 units @ Rs. 4 per unit were introduced in Process I. Production overheads are absorbed as a percentage (%) of Direct wages. The Actual output and Normal loss of the respective processes are given below.

Process	Output in units	Normal Loss as a % of Input	Value of Scrap per unit (Rs.)
I	450	10%	2
II	340	20%	4
III	290	25%	8

Prepare Process cost Accounts.

(20 Marks)

Q4. The Net profit of L& T co. Ltd as per Financial accounts for the year ending 31-3-2016 was Rs 60,652. The Cost books however showed the net profit of Rs 86,200 for the same year. A scrutiny of the above profits revealed the following data.

Particulars	Amount
Works Overhead under recovered in cost	1,560
Administration Overhead overcharged in cost	850
Depreciation charged in Financial accounts	5,600
Depreciation charged in Cost accounts	6,250
Interest on Investments not included in cost	4,000
Loss due to obsolescence charged in Financial accounts only	2,850
Income Tax provided in Financial accounts only	20,150
Bank Interest and transfer fee credited in Financial accounts	375
Profit on sale of an Asset credited in Financial accounts	237
Value of opening stock in Cost accounts	24,800
Value of opening stock in Financial accounts	26,300
Value of closing stock in Cost accounts	25,000
Value of closing stock in Financial accounts	23,000
Wages overcharged in Cost accounts	2,000
Goodwill written off	5,000
Loss on the sale of furniture	600

Prepare a Reconciliation statement for the year ended 31st March 2016.

(20 Marks)

Q5. A) Paulo Travels, a transport company has been given a 35 Kilometer long route to run 5 buses. The cost of each bus is Rs. 7,00,000. The buses will make 3 round trips per day carrying on an average 80% passenger of their seating capacity.

The seating capacity of each bus is 40 passengers. The buses will run on an average 25 days in a month. Find out the cost of per passenger kilometer from the information given below for the year 2015-2016. **(10 Marks)**

Particulars	(Rs)
Garage rent	Rs. 5,000 per month
Annual repairs and maintenance	Rs. 25,000 each bus
Salaries of 5 drivers	Rs. 5,000 per month
Wages of 5 conductors	Rs. 2,000 per month
Managers salary	Rs. 10,000 per month
Road tax	Rs. 5,000 per quarter
Office expenses	Rs. 2,000 per month
Cost of diesel per litre	Rs. 34
Kilometer run per litre for each bus	8 kilometer
Annual depreciation	15% of cost
Annual insurance	3% of cost

B) From the following information relating to Satyam Ltd, you are required to find out: **(10 Marks)**

- Contribution
- Break Even Point
- Margin of Safety
- Profit

Given:	Sales	Rs. 2,00,000
	Units sold	20,000 units
	Total cost	1,60,000
	Fixed cost	40,000

Q6. Write Short notes on the following **(Any Four)**

(4 X 5) 20 Marks

- Financial Accounting
- Marginal Costing
- Standard Costing
- Normal Loss and Abnormal Loss
- Overheads
- Classification of Budgets