

Vidya Vikas Mandal's  
Shree Damodar College of Commerce & Economics, Margao-Goa  
S.Y.B.Com, Semester III, Semester End Examination, October 2018  
Financial Accounting (OLD COURSE)

**Duration: 2 hours**

**Max. Marks: 80**

Instructions: 1) Q1 is compulsory

2) Attempt any three questions from the Q2 to Q6

Q1. Following data is available as on 31<sup>st</sup> December 2017:

**20**

	Rs.
Stock of Material on 1-1-2017	25,000
Material purchased	85,000
Stock of Material on 31-12-2017	15,000
Carriage Inward	5,000
Wages – Direct	75,000
Wages - Indirect	10,000
Direct Expenses	15,000
Rent & Rates (Factory)	5,000
Rent & Rates (Office)	500
Indirect Material	500
Depreciation on Plant & Machinery	1,500
"    "    Furniture	100
Office Salaries	2,500
Salesmen's Salaries	2,000
Factory Expenses	5,700
Office Expenses	900
Manager's Remuneration	12,000
Advertising	2,000
Travelling Expenses	1,100
Carriage Outward	1,000
Sales	2,50,000

The Manager's Remuneration is to be allocated as – Rs.4,000 to Factory, Rs.2,000 to Office and Rs.6,000 to Selling operations.

Prepare Cost Sheet showing Prime Cost, Works Cost, Cost of Production, Total Cost of Sales and Profit.

2. Jagan Construction Ltd. Undertook a Contract at a Contract Price of Rs. 5,00,000 on 1<sup>st</sup> Jan, 2017. Following information is available on 31<sup>st</sup> December 2017 : 20

	Rs.
Material purchased	45,000
Material issued from Stores	50,000
Plant installed at site	35,000
Wages paid	1,00,000
Direct Expenses	10,000
Direct Expenses accrued due	2,500
Establishment Expense	6,500
Material at site on 31 <sup>st</sup> December 2017	2,000
Work Certified	2,40,000
Work not certified	1,000
Material destroyed by fire	1,500
Wages accrued due on 31-12-2017	40,000
Plant at site on 31-12-2017	28,000

Prepare Contract Account for the year ended 31<sup>st</sup> December 2017.

3. A product passes through three processes - I, II and III. 1,000 units of Raw Material were introduced in Process I @ Rs.6 each.

Following information is available for the month of June 2018.

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	Process I (Rs.)	Process II (Rs.)	Process III (Rs)
Material	8,200	3,960	5924
Direct Wages	4,000	6,000	8,000
Production Expenses	4,000	6,000	8,000

The output in each Process was –

	Output in units	Normal Loss	Scrap Value per unit
Process I	950	5%	Rs.4
Process II	840	10%	Rs.8
Process III	750	15%	Rs.10

Prepare Process Accounts.

4. A Transport Company is running 4 buses between two towns which are 50 kms apart. They all make one round trip per day. The seating capacity of each bus is 40 passengers. 75% of the seats are occupied on an average. 20

Following information is available for the month of June 2018.

	Rs.
Wages of Drivers, Conductors, etc.	24,000
Salaries of Office Staff	10,000
Diesel, Oils, etc.	40,000
Repairs & Maintenance	8,000
Tax, Insurance, etc.	16,000
Depreciation	26,000
Interest & Other Charges	20,000

Prepare Operating Cost Sheet and calculate the Cost per Passenger Kilometer.

5. The Net Profit of a Company for the year ended 31<sup>st</sup> December 2017 as per Financial records was 1,28,755 . However, for the same period the Cost Accounts showed a profit of Rs. 1,72,400. Following were the causes of the difference. 20

	Rs.
Works Overheads under-recovered in Costs	3,120
Administrative Overheads recovered in excess	1,700
Depreciation recovered in Costs	12,500
Depreciation charged in Financial Accounts	11,200
Interest on Investments not appearing in Costs	8,000
Loss due to Obsolescence in Financial Accounts	5,700
Income Tax provided in Financial Accounts	40,300
Bank Interest & Transfer Fees (in Financial Books)	750
Stores Adjustment (Credit in Financial Books)	475
Loss due to Depreciation in Stock Values (Financial Books)	6,750

Prepare a Statement reconciling the Profit as per Cost Accounts with Profit as per Financial Accounts.

6. Write short notes on any FOUR of the following

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a) Fixed and Variable Costs

b) Work uncertified

c) Break even Point

d) Abnormal Loss

e) P/V Ratio

f) Operating Costing

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