

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

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 31st December 2017:

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	Rs.
Stock of Material on 1-1-2017	67,200
Material purchased	2,59,000
Office Salaries	26,100
Salesmen's Salaries & Commission	10,780
Depreciation on Furniture	420
Rent, Taxes & Insurance (Factory)	11,900
Productive Wages	1,76,400
General Expenses	4,760
Gas & Water (Factory)	1,680
Travelling Expenses	2,940
Sales	6,45,540
Manager's Salary (2/3 rd Factory, 1/3 rd Office)	15,000
Depreciation on Plant	9,000
Cash Discount allowed	4,000
Repairs to Plant	6,200
Carriage Outward	6,000
Direct Expenses	10,000
Rent, Taxes & Insurance (Office)	2,800
Gas & Water (Office)	560
Stock of Material on 31-12-2017	87,900

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

2. Gamon Construction Ltd. Undertook a Contract at a Contract Price of Rs. 3,00,000 on 1st Jan, 2017. Following information is available on 31st December 2017 : 20

	Rs.
Material purchased	85,600
Plant installed at site	15,000
Wages	75,000
Direct Expenses	3,200
Material returned to Stores	500
Material stolen	200
Material at site on 31 st December 2017	1,800
Cash received from Contractee (90% of Work Certified)	1,80,000
Work not certified	4,500
Establishment Charges	4,000
Wages accrued due on 31-12-2017	2,600
Plant at site on 31-12-2017	11,000

Prepare Contract Account for the year ended 31st December 2017 and show how much of the Profit will be transferred to Profit & Loss A/c.

3. A product passes through three processes - A, B and C. The normal wastage expected in each Process is - Process A - 2%, Process B - 5% and Process C - 10%. The percentage is calculated on the number of units entering each process. The Wastage has a scrap value. The Wastage of Process A and B is sold at Rs.5 per 100 units and that of Process C is sold at Rs.2 per unit.

Following information is available for the month of June 2018 - 20,000 units of Raw Material were introduced in Process A at a cost of Rs.8,000. 20

	Process A (Rs.)	Process B (Rs.)	Process C (Rs)
Material consumed	4,000	1,500	1,000
Direct Wages	6,000	4,000	3,000
Manufacturing Expenses	640	225	2405
Output in Units	19,500 units	19,250 units	17,000 units

Prepare Process Accounts.

4. Following information is available for the year 2017 :

20

	Rs.
Stock of Raw Material on 1-1-2017	33,280
Purchase of Raw Material	7,59,200
Stock of Raw Material on 31-12-2017	35,360
Productive Wages	5,16,880
Works Overhead Charges	1,29,220
Office Overheads	70,161

Prepare Cost Sheet for 2017 and show : Cost of Material consumed, Prime Cost, Works Cost and Cost of Production. Also calculate percentage of Works Overhead to Productive Wages and percentage of Office Overheads to Works Cost.

Based on the above percentages, prepare an Estimated Cost Sheet for a Tender which requires Raw Material of Rs.25,000 and Direct Wages of Rs.31,200.

5. a) A product passes through two processes - X and Y. During a month 10,000 units of Raw Material were introduced at a cost of Rs.40,000.

Following are the details :

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	Process X (Rs.)	Process Y (Rs.)
Material	10,000	5,000
Wages	20,000	15,000
Overheads	10,000	8,000
Normal Loss (% of Input)	8%	5%
Sale Value of Scrap per unit	Rs.5	Rs.8
Output in Units	9,000 units	8,600 units

Prepare Process Accounts, Normal Loss A/c, Abnormal Loss A/c and Abnormal Gain A/c.

- b) Explain the rules for transferring the profit/loss on incomplete contracts to the Profit & Loss A/c during their various stages of completion.

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