

Vidya Vikas Mandal's

Shree Damodar College of Commerce & Economics Margao-Goa

S.Y.BCOM Semester End Examination, October 2016

Financial Accounting

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 1. HCC Ltd. obtained a contract for the building of an office for Rs 6, 00,000. Building construction started on 1st April 2015 and at the end of financial year 31st March 2016 they received from the party a sum of Rs. 2,40,000 being 80 percent of work certified. The following additional information is available from the books of HCC Ltd.

Particulars	Rs.
Materials issued to contract	1,20,000
Wages paid	1,64,000
Direct expenses	8,600
Plant purchased for contract	20,000
Outstanding wages	10,000
Plant at site after depreciation	18,000
Work uncertified	20,000
Material at site on 31 st March 2016	10,000
Material lost	6,000
Material returned to store	4,000
Material costing Rs 8000 was sold for Rs 10,000	

Prepare a contract account for the year ended 31st March 2016 and extract of Balance sheet as on 31st March 2016 clearly showing profit to be transferred to profit and loss account (20 marks)

Question 2. From the following information prepare process cost accounts for sugar factory

Particulars	Process A (Crushing)	Process B (Refining)	Process C (Finishing)
Sugarcane introduced	800 tones	-----	-----
Cost per tonne (Rs)	800		
Other Material (Rs)	40,000	20,000	10,000
Wages (Rs)	20,000	30,000	16,000
Expenses (Rs)	10,000	8,000	4,000
Normal loss (weight lost in percentage)	10	05	04
Normal loss (scrap in percentage)	20	15	06
Selling price of scrap per tonne (Rs)	20	10	06
Output in tones (transferred to next process	780	620	560

(20 marks)

Question 3. In the books of Monginis Ltd the following figures have been obtained with regard to Pizza for the month of September 2016

Particulars	Rs
Cost of Material	3,00,000
Wages	2,50,000
Factory overheads	1,50,000
Administrative overheads	1,68,000
Selling overheads	1,12,000
Distribution overheads	70,000
Sales	12,60,000

In October 2016, a work order has been received and the following expenses have been incurred

Material Rs. 16,000

Wages Rs. 10,000

Assuming that in October 2016 the rate of factory overheads will increase by 20 percent, distribution overhead have gone down by 10 percent and administration and selling overheads each have gone up by 10 percent. At what price should the product be sold so as to earn the same rate of profit on selling price as in September 2016?

Factory overheads is to be charged based on direct wages , administrative overheads is to be charged on prime cost, while selling and distribution overheads are to be charged based on Works cost.

(20 Marks)

Question 4. The following is the summary of profit and loss account of TATO Ltd for the year ended 31st March 2016

Particulars	Rs	Particulars	RS
Material consumed	60,000	By Sales (10,000 Samosas)	2,00,000
Wages	40,000	By Finished stock (2000 Samosas)	32,000
Factory expenses	20,000	By Dividend received	18,000
Administration expenses	16,000		
Selling expenses	8,000		
Preliminary expenses written off	4,000		
Goodwill written off	8,000		
Net profit	94,000		
	2,50,000		2,50,000

The firm makes Samosas and in overheads are charged as follow

1. Factory expenses have been recovered from production at 20 percent on prime cost
2. Administrative expenses at Rs 2 per unit of units produced
3. Selling expenses at Rs. 4 per unit sold

You are required to prepare a statement of cost and profit in cost books of the company and to reconcile the profit disclosed with that shown in the financial accounts

(20 Marks)

Question 5 A) VRL transport runs a bus service from Margao to Vasco, following are the details of cost incurred during the financial year 2015-16. Ascertain the cost per passenger Kilometre of operating their service

1. Cost of bus Rs. 20,00,000
 2. Life of bus 12 years
 3. Scrap value Rs 2,00,000
 4. Insurance per annum Rs. 80,000
 5. Road tax annual Rs. 25,000
 6. Garage rent Rs 2,000 per month
 7. Annual repair Rs 60,000
 8. Drivers salary Rs 16,000 per month
 9. Conductors salary Rs. 10,000 per month
 10. Managers Salary Rs 50,000 per annum
 11. Stationary cost Rs 20,000 per annum
 12. Diesel and oil Rs 500 per 50 Km
 13. Bus will take 4 round trips per day on 30 km Margao to Vasco route carrying an average of 40 passengers per trip, bus will work for 28 days in a month.
- (10 Marks)**

Question 5 B) Vaman canteen is selling Dosa. from the following information prepare marginal cost statement Dosa and calculate

(10 Marks)

1. Contribution per Dosa and total contribution
2. P/V Ratio
3. Breakeven point in units and volume
4. Margin of safety

Selling price per Dosa Rs 40

Variable cost per Dosa Rs. 30

Fixed cost total Rs 1,20,000

No of units sold 10,000

Question 6. Write short notes on any four

(4X5) 20 Marks

1. Abnormal loss and abnormal gain
2. Indirect cost
3. Material variance
4. Classification of budgets
5. Operating costing
6. Methods and techniques of costing