

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. From the following particulars, prepare a Cost Sheet showing the following:

- a) Cost of raw materials consumed
- b) Prime cost
- c) Works cost
- d) Total cost

Particulars	Amount (Rs.)
Stock of Finished goods on 1-1-2015	72,800
Stock of Raw materials on 1-1-2015	33,280
Purchase of Raw materials	7,59,200
Productive Wages	5,16,880
Sales of Finished goods	15,39,200
Stock of Finished goods on 31-12-2015	78,000
Stock of Raw materials on 31-12-2015	35,360
Works overhead charges	1,29,220
Office expenses	70,161

The company is about to send a tender for a large plant. The costing department estimated that the materials required would cost Rs. 52,000 and the wages for making the plant would cost Rs. 31,200.

The Works overheads are calculated as a percentage of Productive wages and Office overheads calculated as a percentage of Works cost. The tender is to be made at a net profit of 20% on selling price. Find out the amount of the tender if based on the above percentage.

(20 Marks)

Q2. NCC Ltd has undertaken 2 contracts on 1st April 2015. The position of the contract on 31st March 2016 is as follows: **(20 Marks)**

Particulars	Contract I (Rs)	Contract II (Rs.)
Contract Price	30,00,000	65,00,000
Materials	5,80,000	10,80,000
Wages	11,24,000	16,50,000
Other Expenses	30,000	50,000
Plant issued at cost	1,80,000	2,50,000
Unused materials at site on 31/3/2016	40,000	60,000
Wages payable	36,000	60,000
Other Expenses due	5,000	10,000
Work Certified	16,00,000	30,00,000
Cash Received	14,00,000	25,00,000
Work Completed but not yet Certified	80,000	90,000

Materials costing Rs. 10,000 was transferred from contract I to contract II. The Plant at site is to be depreciated @ 10%. Prepare Contract account.

Q3. A product passes through two distinct processes X and Y before completion. During a certain period, 10,000 units of crude material were introduced in process X at a cost of Rs. 40,000. After processing in dept X, 8,650 units of processed material were transferred to process Y for finishing. From process Y finally 8,300 units of the finished product were obtained and transferred to finished goods store.

Other information:

Particulars	Process X (Rs.)	Process Y (Rs.)
Direct Material	10,000	5,000
Direct Labour	20,000	15,000
Overheads	10,000	8,000
<u>Normal Loss (%)</u>		
Weight Lost	2%	3%
Scrap	8%	5%
Rate (Rs. per unit)	Rs. 5	Rs. 8

Prepare: Process Accounts .

(20 Marks)

Q4. From the following information, prepare Reconciliation statement for the year ending 31st March 2016. **(20 Marks)**

Particulars	Amount (Rs)
Net loss as per Financial records	2,08,045
Net loss as per Costing records	1,72,400
Works overhead under recovered in Costing records	3,120
Administration overhead recovered in excess	1,700
Depreciation charged in Financial accounts	11,200
Depreciation recovered in Cost accounts	12,500
Interest received not included in Cost accounts	8,000
Obsolescence loss charged in Financial accounts	5,700
Income Tax provided in Financial books	40,300
Bank Interest credited in Financial books	750
Profit on sale of Furniture credited in Financial books	475
<u>Value of Opening stock:</u>	
Cost accounts	52,600
Financial accounts	54,000
<u>Value of Closing stock:</u>	
Cost accounts	52,000
Financial accounts	49,600
Wages overcharged in Cost accounts only	6,000
Preliminary expenses written off in Financial accounts	800
Provision for doubtful debts in Financial accounts	150

Q5. A) Kadamba Transport co. runs fleet of buses.

(10 Marks)

No of Buses	Carrying Capacity
10	50 passenger each
05	30 passenger each

Each bus makes 4 trips in a day covering a distance of 10 km per trip. On an average 60% of the seats are occupied in each trip. Assuming that, company operates all the days in a month. Ascertain operating cost for passenger km taking into account the following information.

Particulars	Amount (Rs.)
Wages of 15 drivers	Rs 250 per month
Diesel	Rs 4,375 per month

Repairs	Rs 2,500 per month
Tyres and Tubes	Rs 5,375 per month
Depreciation	Rs 90,000 per annum
Garage rent	Rs 9,000 per annum
Interest on capital	Rs 12,000 per annum
General supervision	Rs 750 per month
Oil, Grease and Cotton waste	Rs 500 per month

B) From the following data given, prepare Marginal cost statement and calculate:

(10 Marks)

- i) Contribution (Rs. and per unit)
- ii) Profit Volume ratio
- iii) Break Even Point (Rs. and per unit)

Given:	Units sold	1,50,000 units
	Selling price per unit	Rs. 15
	Variable cost per unit	Rs. 10
	Total Fixed cost	Rs. 5,00,000

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

(4 X 5) (20 Marks)

- a. Variance analysis
- b. Indirect cost
- c. Budgetary control
- d. Standing charges and Running charges
- e. Non cost items
- f. Prime cost