

- i. **Attempt any FOUR questions**
 ii. Figures to the **right** indicate **maximum** marks to the question.

Q1. From the following particulars, prepare a Cost Sheet showing Prime Cost, Works Cost, Cost of Production, Cost of Sales and Profit : 20

	Rs.
Opening Stock – Raw Material	25,000
„ „ - Finished Goods	20,000
Closing Stock - Raw Material	20,000
„ „ - Finished Goods	25,000
Purchase of Raw Material	2,50,000
Productive Wages	1,00,000
Chargeable Expenses	10,000
Factory Rent & Taxes	25,000
Motive Power	10,000
Factory Heating & Lighting	10,000
Factory Insurance	5,000
Cotton Waste	3,500
Office Salaries	20,000
Printing & Stationery	1,000
Salesmen's Salaries	10,000
Travelling Expenses	5,000
Sales	5,00,000

Q2. The Net Profit of a Company for the year ended 31st March 2014 was Rs.5,15,000 as per Financial Accounts. However, the Cost Accounts showed a different profit. 20
 Following details are discovered :

	Rs.
- Interest on Investments	32,000
- Depreciation in Stock(charged in Financial Books)	27,000
- Works Overhead under-recovered in Cost Accts.	12,480
- Bank Interest & Dividend Received	4,900
- Obsolescence loss charged in Financial Books	22,800
- Depreciation charged in Financial Books	44,800
- „ recovered in Cost Accounts	50,000
- Administrative Overheads over-recovered in Costs	6,800

Prepare a Statement reconciling the Cost and Financial profits and find the Profit as per Cost Accounts.

Q3. A factory has three Production Departments – A, B and C and two Service Departments D and E. From the following information, prepare a Summary showing the Primary Distribution of Overheads to the various departments. 20

	Rs.
- Indirect Material	15,000
- Indirect Wages	10,000
- Depreciation on Machinery	25,000
- Depreciation on Building	5,000
- Rent, Rates and Taxes	10,000
- Electric Power for Machinery	15,000

Departmental Information :

Items	A	B	C	D	E
Direct Material (Rs.)	20,000	10,000	19,000	6,000	5,000
Direct Wages (Rs.)	15,000	15,000	4,000	2,000	4,000
Value of Machinery(Rs.)	60,000	1,00,000	40,000	25,000	25,000
Floor Area (sq. ft.)	15,000	10,000	10,000	5,000	10,000
HP of Machines	50	60	30	5	5
No. of Light Points	15	10	10	5	10
Labour Hours	5,000	5,000	2,000	1,000	2,000

Q4. Following are the Departmental expenses of three Production Departments – X, Y and Z and two Service Departments – P and Q.

20

Dept. X - Rs.7,810, Dept. Y - Rs.12,540, Dept. Z - Rs.4,550,
Dept. P - Rs.4,000 Dept. Q - Rs.2,600.

Apportion the expenses of Service Departments P and Q among the Production Departments as follows ;

	X	Y	Z	P	Q
P	20%	30%	40%	-	10%
Q	40%	20%	30%	10%	-

Prepare Secondary Distribution Summary by the- a) Repeated Distribution Method and b) Simultaneous Equation Method.

Q5. Calculate the Machine Hour Rate for the month of January, 2015 to cover the overhead expenses given below relating to a Machine.

20

	Rs.
a) Rent of the Dept. ($\frac{1}{5}$ th area occupied by the Machine)	7,800 p.a.
b) Lighting (out of 12 points, 2 are for this Machine)	2,880 p.a.
c) Insurance	360 p.a.
d) Cotton Waste, etc.	600 p.a.
e) Foreman's Salary (Half for this Machine)	1,20,000 p.a.
f) Cost of the Machine	92,000
g) Scrap value of Machine	2,000.

The Machine is expected to run for 1,800 hours per annum. Repairs and Maintenance for life is expected to be Rs.11,250. The Machine consumes 5 units of Power per hour available at Re. 0.60 per unit. The life of the Machine is expected to be 10 years.

Q6. Write short notes on any FOUR of the following :

20

- Prime Cost
- Overheads
- Expenses debited only in Financial Accounts, not in Cost Accounts
- Methods of Overhead Recovery
- Works-on-costs
- Secondary Distribution of Overheads.
