

- Instructions – 1. Question number 1 is compulsory  
2. Answer any three questions from question no. 2 to 6

**Question No. 1.** The following is the summarised trading and profit and loss account of Volta Ltd. for the year ending 31st March 2016 in which 100 Coolers were sold by the company.

Trading and profit and loss account for the year ended 31 <sup>st</sup> march 2016			
To, Cost of Materials	80,000	By Sales	4,00,000
To, Direct wages	1,20,000		
To, Factory charges	50,000		
To, Administrative expenses	60,000		
To, Selling expenses	30,000		
To, General expenses	20,000		
To Net Profit	20,000		
	4,00,000		4,00,000

The following estimate made by the costing department of the company for the financial year 2016 - 2017

1. The output and sales will be 200 Coolers .
2. The price of material will increase by 20 percent on the previous year level.
3. Wages per unit will rise by 5percent.
4. Factory overheads will rise in proportion to prime cost.
5. Administrative overheads will remain unaffected over rise in output.
6. Selling overheads will remain unaffected by rise in output.

From the above information prepare

1. Cost statement for the year ended 31<sup>st</sup> march 2016.
2. Estimated cost statement for financial year 2016-17, showing price at which the Coolers to be sold to make a profit of 10 percent on selling price. ( 20 marks )

**Question No. 2** The following details are available from the books of accounts of Bharat Construction for the year ended 31<sup>st</sup> march 2016 with respect to construction of Road from Margao to Nuvem .

Particulars	Rs.
Material sent to site	62,000
Labour	73,000
Plant installed at site ( cost price )	6,000
Direct expenses	2,000
Establishment expenses	6,000
Material returned to store	2,000
Material lost	3,000
Work uncertified	5,000
Material at site on 31 <sup>st</sup> March 2016	12,000
Outstanding wages	3,000

The contract price agreed upon with the contractee is Rs 2,50,000 . Cash received on account is Rs 1,60,000 being 80 percent of work certified. Plant to be depreciated at 20 percent.

You are required to prepare the contract account and contractee account for the year ended 31<sup>st</sup> march 2016 showing clearly the amount of profit to be transferred to profit and loss account.  
( 20 MARKS)

**Question No. 3.** An oil company gives following cost data. Prepare the three process accounts.

(20 marks)

Process	A	B	c
Units introduced (Cost per unit Rs 500)	1,000		
Sundry material (Rs)	10,000	10,000	6,000
Direct labour (Rs)	6,000	4,000	3,000
Direct expenses (Rs.)	8,000	6,000	4,000
Output (units)	690 units	640 units	570 units
Weight lost ( percentage of input of each process )	10	5	10
Scrap ( percentage of input of each process )	20	5	-
Value of scrap unit (Rs. )	2	4	5

**Question No. 4.** The following is the trading and profit and loss account of Pastry Palace Ltd. for the year ended 31<sup>st</sup> March 2016

Particulars	Rs.	Particulars	Rs.
To, Material consumed	14,00,000	By, Sales (30,000 units)	30,00,000
To, Direct wages	8,00,000	By, Finished stock (1000 units)	80,000
To, Works overheads	4,00,000	By, Work in progress	60,000
To, Administrative overheads	2,00,000	By, Dividend received	28,000
To, Selling overheads	1,50,000		
To, Preliminary expenses	18,000		
To, Income tax	10,000		
To, Net profit	1,90,000		
	31,68,000		31,68,000

Proprietors costing records shows that

1. Works overhead have been charged at 25 percent of prime cost.
2. Administrative overheads have been recovered at Rs. 4 per finished units.
3. Selling overheads have been recovered at Rs. 3 per unit sold.

Prepare

1. A Cost statement for the year ended 31<sup>st</sup> March 2016 indication costing profit
2. A statement reconciling the profit as disclosed by cost accounts and that shown in financial accounts ( 20 Marks)

**Question No. 5**

1. Neeta Travels is running 5 buses between Cancona and Panjim, which are 50 Kms apart, seating capacity of each bus is 30 passengers. The following particulars were obtained from their books for September 2015.

Cost items	Rs.
Wages of driver	80,000
Salaries of office staff	25,000
Diesel and oil	40,000
Repairs and maintenance	13,000
Insurance	15,000
Taxation	21,000
Depreciation	31,000
Interest	25,000

Actual passengers carried were 75 percent of seating capacity. All buses ran on all the days of the month and each bus made one round –trip per day. Find out the cost per passenger –kilometre (10marks)

**Question No. 5**

2. From the following information prepare marginal cost statement for each product and calculate (10 Marks)

1. Contribution per unit and total for each product
2. P/V Ratio for each product
3. Breakeven point in units and volume for each product

	Product A	Product B
Sales(Units)	20,000	40,000
Selling price per unit (Rs.)	60	40
Variable cost per unit	42	24
Total Fixed cost	2,40,000	4,80,000

Question no 6. Write short notes on any four (4X5) 20 Marks

1. Abnormal gain
2. Indirect cost
3. Variance analysis
4. Zero Base Budgeting
5. Methods of Costing
6. Cost accounting V/s Financial accounting