

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 st 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 31st 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 31st 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 st 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 31st 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 31st 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 31st 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