

**Government College of Commerce and Economics Borda Margao Goa**  
**B.COM. SEMESTER- VI (CBCS) END EXAMINATION, August , 2020**  
**ADVANCED COST ACCOUNTING-II (DSE-7): (CBCS)**

**Duration: 2 hours**

**Total Marks: 30**

**(As per the GU OS-1, COVID-19 Pandemic)**

**Instructions:**

- 1) Figures to the **right** indicate maximum marks.
- 2) Working notes should form part of the answer.

**Q. 1. Answer any five of the following:**

**(5 x2=10 Marks)**

1. Write two points of difference between Normal Wastage and Abnormal Wastage'.
2. Describe Cost plus contracts in four sentences
3. Explain the concept of Activity based costing
4. Write the essential requisites of 'inter firm comparison'.
5. Write the Essential features of 'Responsibility Accounting.
6. Write two points of difference between integral accounting and non-integral accounting
7. Write the meaning of inter process profits
8. Explain the concept of escalation of clause

**Q. 2. Answer any four of the following (4X5=20 Marks)**

1. A certain product passes through three processes before it is transferred to finished stock. The following information is obtained for the month of June 2020.

Particulars	Process-I Rs.	Process-II Rs.	Process-III Rs.	Finished stock Rs.
Opening stock	20,000	24,000	16,000	60,000
Direct material	40,000	42,000	60,000	-
Direct wages	30,000	30,000	32,000	-
Production overheads	28,000	12,000	80,000	-
Closing stock	10,000	12,000	8,000	30,000
Profit on cost of each process	33-1/3%	25%	25%	-
Inter process profits for opening stock	-	4,000	4,000	22,000

Stocks in process are valued at prime cost and finished stock has been valued at price at which it is received process-III ,sales during the period were Rs. 7, 00,000.

2. Write a descriptive note on profit on incomplete contracts.  
( 05 marks)

3. Journalise the following transactions assuming that cost and financial accounts are integrated.

Raw materials purchased	1,20,000
Direct materials issued to production	90,000
Wages paid (50% indirect)	72,000
Wages charged to production	50,400
Manufacturing expenses incurred	57,000
Manufacturing expenses charged to production	55,200
Selling and distribution costs	12,000
Finished product at cost	1,20,000
Sales	1,74,000

4. Write the pre-requisites of non-integral accounting

5. Zylo industries Ltd. provides the following information about process 'Y' for the month ending 31<sup>st</sup> march 2020 prepares statement of equivalent production.

Input                                      12000 units  
 Output                                      10800 units  
 Closing work in progress              1200 units

Degree of completion:

Materials    100%  
 Labour       75%  
 Overheads   50%

Process costs:

Materials                                      Rs. 1,20,000  
 Labour    Rs. 81,900  
 Overheads                                        Rs. 39,900

6. Define uniform costing and write the benefits of uniform costing to the participating firms.