GOVERNMENT COLLEGE OF COMMERCE AND ECONOMICS, BORDA, MARGAO-GOA.

B. COM. (SEMESTER III), SEMESTER EXAMINATION- OCTOBER, 2019

FUNDAMENTALS OF COST ACCOUNTING- CC-10

Time 2 hrs | Total Marks: 80

Instructions:

1. *Q no.1 is compulsory*
2. *Answer any 3 from Q.NO.2 to Q. NO. 6*
3. *Figures to the right indicate full marks*

Q,No.1. Answer the following **(4x5=20 marks)**

i) From the following particulars, find out the goods produced or manufactured.

Opening stock of finished goods	4,000 units
Closing stock of finished goods	5,200 units
Sales	36,800 units

ii) Calculate the value of abnormal loss/ abnormal gain, from the following particulars.

Input	20,000 units
Normal loss	5%
Actual output	18,500 units
Value of normal	Rs. 5/ unit
Total cost	Rs. 45,000/-

iii) From the following information calculate the amount of profit to be transferred to profit and loss account.

Contract price	18,00,000
Work certified	12,00,000
Cash received	9,60,000
Notional profit	1,32,000

iv) From the following particulars find out the cost of joint product A, B and C under average cost method.

a) Joint costs are Rs. 20,000

b) Other production data:

Products	Units produced
A	500
B	200
C	300

Q.No 2. The following figures are extracted from the books of ***M/S Rudra Manufacturers***, for the month of March 2019. ***You are required to prepare a detailed cost statement, showing the cost per unit under each of the various elements of cost as well as profit or loss per unit.*** No of Units produced and sold are 1000.

(20 marks)

Office expenses	2,500
Direct materials	1,20,000
Direct labour	25,000
Depreciation on plant and machinery	750
Postage and telephone expenses	2,000
Depreciation of office building	400
Office printing and stationery	600
Insurance of plant and machinery	150
Sales returns	120
Purchase returns	150
Delivery van running and maintenance expenses	1,500
Salaries (including sales manager Rs. 2500/-)	15,000
Free samples distributed	2,000
Electricity including Rs. 500/- for office	2,000
Advance tax paid	1,000
Sundry factory expenses	17,000
Interest on loan paid	500
Expenses for participating in exhibitions	750
Sales	3,10,000

Q,No.3. Julius companies of contractors Ltd. Undertook a contract on 1-1-2018. The company was engaged on only one contract of which the contract price was Rs. 10, 00,000. Of the plant and materials charged to the contract, plant costing rs, 10,000/- and materials costing Rs. 8,000/-, were lost in accident.

On 31st December 2018, plant costing Rs. 10,000/- was returned to stores. Cost of work uncertified as on date was valued at Rs. 4,000/- and materials in hand on site were Rs. 8,000/-Charge 10% depreciation on plant.

(20 marks)

The Trial Balance extracted from their books as on 31st December, 2018 stood as follows:

	Dr. Rs.	Cr. Rs.
Share capital	-	2,40,000
Sundry creditors	-	20,000
Land and Building at cost	86,000	-
Cash at bank	40,000	-
Materials	1,80,000	-
Plant	50,000	-
Wages	2,90,000	-
General expenses	14,000	-
Cash received (being 80% of work certified)	-	4,00,000
	6,60,000	6,60,000

Prepare contract account and the Balance Sheet for the year ended 31st December, 2018

Q. No.4. A Product passes through three processes –A, B and C.10,000 units at a cost of Rs. 1.10/- per unit were issued to process A. The following other information is available to you. **(20 marks)**

	Process I Rs.	Process-II Rs	Process-III Rs
Direct materials	1,500	1,500	1,500
Direct wages	4,500	8,000	6,500
Direct expenses	1,000	1,000	1,503
Production overheads	7,200	12,800	10,400
Scrap/ normal loss (%)	5%	4%	5%
Value of scrap per unit	0.25/-	0.50/-	1/-

Additional information:

There was no stock of materials or WIP at the beginning or at the end.

Prepare the process accounts.

Q.5 A . A factory produces three products, 'X', 'Y' and 'Z', which originates from a joint process. The joint costs are as follows **(10 marks)**

Material	50,000
Labour	9,000
Overheads	4,000
Total	63,000

The subsequent costs are as given below

Particulars	X	Y	Z
Materials	3,500	3,250	1,450
Wages	1,050	1,000	950
Overheads	450	250	600
Total	5,000	4,500	3,000
Sales	50,000	35,000	30,000
Estimated profit on sales	20%	30%	40%

Prepare a statement showing apportionment of Joint Costs and ascertain the total cost and profit of each product.

Q.5 B. Write contract account from the following particulars of Meena and company. Direct materials Rs. 10200/- wages Rs. 16800/-, special plant Rs. 8000/-, stores issued Rs. 2880/-, loose tools Rs.1500/- administrative expenses rs.2555/- cost of tractor(fuel, wages of drivers etc.) Rs. 3450/- contract price Rs. 40000/-.

The contract was completed in 20 weeks. The special plant was returned subject to depreciation of 20% per annum on original cost. The value of loose tools and stores returned were Rs. 1000/- and Rs. 400/- respectively. The written down value of the tractor used for the contract was Rs. 19500/- and depreciation on this value was to be charged to this contract at 20% per annum. **(10 marks)**

6. Write short notes on any four of the following: **(20 marks)**

a) Equivalent production
b) Abnormal loss and abnormal gain.
c) Joint product and by-product
d) Semi- variable expenses
e) Escalation clause