



AC-2719

Second Year B. Com. (Honours) (Sem. IV) Examination

April / May – 2015

CE - 429 J (1) - Cost Accounting : Paper - III

Time : Hours]

[Total Marks : 50

Instructions :

(1)

| | |
|--|----------------------|
| नीचे दशांशिक निशान्चीवाणी विगतो उत्तरवडी पर अवश्य कर्तवी. Fillup strictly the details of signs on your answer book. | Seat No. : |
| Name of the Examination : | <input type="text"/> |
| <input type="checkbox"/> SECOND YEAR B. COM. (HONOURS) (SEM. IV) | <input type="text"/> |
| Name of the Subject : | <input type="text"/> |
| <input type="checkbox"/> CE - 429 J (1) - COST ACCOUNTING : P. - 3 | <input type="text"/> |
| Subject Code No. : <input type="text"/> 2 <input type="text"/> 7 <input type="text"/> 1 <input type="text"/> 9 | <input type="text"/> |
| Section No. (1, 2,.....): <input type="text"/> Nil | |
| | Student's Signature |

(2) Figures to the right hand side indicate marks.

(3) Show all necessary calculations.

- 1 (a) Give a list of four industries where job costing can be used. 2
- (b) The following details are obtained from the account of Safar Transport Company for the month of April 14. Find out total ton kilometre : 2
- Total kilometers during the month ... Rs. 4,400
No. of trips 40
Total load carried Ton 640
- (c) Production of Process 4250 units 2
Normal loss 10% of input
Abnormal loss 1/2 of normal loss
Find out units introduced in the process :
- (d) Contract price Rs. 14,00,000 2
Total expenses incurred Rs. 7,00,000
Cash received
(90% of work certified) Rs. 6,75,000
Profit on contract 20%
Find out the cost of uncertified work.
- (e) General ledger adjustment account. 2

- 2 (a) The trading account and profit and loss account of Shiv Co Ltd. is as under, the year ended on 31.3.14 : 7
Trading and P&L Account

| <i>Particulars</i> | <i>Rs.</i> | <i>Particulars</i> | <i>Rs.</i> |
|---|------------------|--|------------------|
| To Materials | 4,00,000 | By Sales (2000 units) | 8,13,000 |
| To Direct Labour | 1,80,000 | By finished stock (500 units) | 1,37,000 |
| To Factory expenses | 1,20,000 | By work in progress A/c. Materials : 30,000 | |
| To Gross Profit c/d | 3,00,000 | Direct Labour : 8,000 | |
| | | Factory expenses : 12,000 | 50,000 |
| | 10,00,000 | | 10,00,000 |
| To Office expenses | 80,000 | By Gross profit b/d | 3,00,000 |
| To Selling expenses | 10,000 | By Dividend received | 15,000 |
| To Preliminary expenses written off | 6,000 | By rent received | 10,000 |
| To Provision of I.T. | 12,000 | | |
| To Net Profit | 2,17,000 | | |
| | 3,25,000 | | 3,25,000 |

The following information has been obtained on scrutiny of cost accounts :

- (1) Materials and Labour are charged at actual cost.
- (2) Factory expenses have been allocated to the production at 30% of prime cost.
- (3) Office expenses have been charged at 10% of works cost.
- (4) Selling expenses have been charged at Rs. 5 per unit sold.

From the above information prepare :

- (i) Cost sheet
- (ii) Statement showing reconciliation of profit or loss.

- (b) Heena Transport Company has been given 5
25 kilometre long route to run a bus :

Road tax yearlyRs. 3,600

Garrage rent monthly Rs. 800

Repairs expenses 20% of depreciation

Estimated working life of the bus 5 years

Insurance premium at 3% per annum 10,800

15% of the takings as commission is to be shared equally between driver and conductor.

Salary of driver Rs. 28,800 per annum

Salary of conductor Rs. 24,000 per annum

Stationary expenses Rs. 1,800 per quarter.

Salary to accountant Rs. 3,000 per month

The expense on diesel-oil is Rs. 176 per 100 kms. The bus will make four round trips per day carrying 40 passengers. Assuming 20% profit on takings calculate the bus fair to be charged from each passenger. The bus will run on an average 25 days in a month.

(c) Job costing and process costing. 2

3 (a) In Binani Co. Ltd. raw material passes through two processes X and Y and it becomes finished goods. From the following information prepare process accounts : 7

Units of raw material at Rs. 20 per unit were introduced into process X. In that process abnormal wastage was 150 units and normal wastage was 40% of total wastage.

| <i>Particulars</i> | <i>Process</i> | |
|-----------------------------------|---|---------------------------------------|
| | <i>X</i> | <i>Y</i> |
| Material | ? | 500 units at Rs. 36 per unit |
| Normal wastage (of input) | 8% | 10% |
| Sale price of wastage per unit | Rs. 10 | Rs. 20 |
| Factory overheads | Rs. 5,500 (33 1/3% of direct wages) | Rs. 5,200 (25% of direct wages) |
| Actual production units | ? | 1,400 |

(b) Goodluck Ltd. intend to submit a tender you are given the following particulars : 5

| | Rs. |
|---|----------|
| Stock of finished goods as on 1st April 2013 | 77,500 |
| Stock of raw materials as on 31st March 2014 | 93,000 |
| Stock of raw materials as on 1st April 2013 | 33,280 |
| Stock of finished goods as on 31st March 2014 | 95,000 |
| Purchase of raw materials | 4,59,720 |
| Office overhead expenses | 37,500 |
| Works overhead charges | 70,000 |
| Productive wages | 2,80,000 |
| Sales | 9,62,500 |

Prepare a cost sheet on the basis of the above information, using the above percentage of works overheads to productive wages, office overheads to works cost and the net profit percentage, prepare a tender sheet on the basis of the following information :

- (a) Cost of raw materials to be usedRs. 80,000
 (b) Wages to be paid to workersRs. 40,000

(c) Escalation clause in contract accounting. 2

- 4 (a) Messrs. Hindustan Construction Co Ltd. attained a contract to build a bungalow at a contract price of Rs. 37,50,000. The contractor agrees to pay 90% of the value of the work done as certified by the architect immediately on receipt of the certificates and to pay the balance in 2 years after completion of the contract. Contractor commenced the work on 1st May 2012. A machine costing Rs. 50,000 was specially bought and used for the contract. The value of the machine at the end of 2012 and 2013 and on completion of the contract at the end of 2014 was Rs. 40,000; Rs. 25,000 and Rs. 10,000 respectively. The work done and certified by the architect as at the end of 2012 and 2013 was Rs. 8,75,000 and Rs. 28,25,000 respectively. Work costing Rs. 50,000 as at the end of 2013 was not certified as on that date. The expenses on the contract were as under :

| | <i>2012</i> <i>Rs.</i> | <i>2013</i> <i>Rs.</i> | <i>2014</i> <i>Rs.</i> |
|-------------------|---------------------------|---------------------------|---------------------------|
| Materials | 4,50,000 | 5,50,000 | 3,15,000 |
| Wages | 4,25,000 | 5,75,000 | 4,25,000 |
| Direct expenses | 17,500 | 62,500 | 22,500 |
| Indirect expenses | 7,500 | 10,000 | - |

Prepare contract accounts of M/s. Hindustan Construction Co Ltd. for all three years 2012, 2013 and 2014.

- (b) Differentiate integral and non integral system with help of journal entries. 3