

SARASWAT VIDYALAYA'S
SRIDORA CACULO COLLEGE OF COMMERCE & MANAGEMENT STUDIES
KHORLIM, MAPUSA-GOA.
B.COM THIRD SEMESTER SPECIAL REPEAT EXAMINATION MAY/JUNE, 2019
w.e.f 2018-19 CBCS

DURATION: 2 HOURS

CC 10: FUNDAMENTALS OF COST ACCOUNTING

MAX MARKS: 80

INSTRUCTIONS:

- 1) Q.1. is compulsory
- 2) Attempt any three from Q.2 to Q.6
- 3) Each question carries 20 marks
- 4) Prepare working notes whenever necessary

Q.1) The following particulars have been extracted from the books of M/s. Vajat Manufacturing Company for the year ended 31st March 2018

Particulars	Amount	Particulars	Amount
Opening stock of raw materials	2,35,000	Office stationery	15,500
Closing stock of raw materials	2,50,000	Salesmen's salaries	42,000
Raw materials purchases	10,40,000	Direct wages	7,00,000
Factory lighting	48,000	Depreciation on plant & machinery	43,500
Direct wages	70,000	Depreciation on office furniture	3,000
Carriage inward	41,000	Directors fees	30,000
Repairs to plant & machinery	53,000	Gas and water (factory)	7,500
Rent, rates & taxes (factory)	15,000	Gas and water (office)	1,500
Rent, rates & taxes (office)	8,000	Managers salary	60,000
Advertising expenses	10,000	Show room expenses	10,000

Additional information:

1. Out of 48 hours a week, manager devotes 40 hours for factory and 8 hours for office for the whole year.
2. Sales of the company during the year is Rs 24,01,300. (20)

Q.2) Product 'A' is obtained after it is processed through process X, Y and Z. the following is the information provided for the month ended 31st March 2018:

The units introduced in the process X is 500 units at cost of Rs 4 per unit.

Particulars	Process X	Process Y	Process Z
Materials	2,600	2,000	1,025
Direct wages	2,250	3,680	1,400
Production overheads	2,250	3,680	1,400
Normal loss (% on units introduced in each process)	10%	20%	25%
Value of scrap per unit (Rs)	02	04	05
Output (in units)	450	340	270

(20)

You are required to prepare Process Accounts.

Q.3) M/s. Godan and sons manufacture and sold 2000 typewriters in the year 2018. The summarised Trading and Profit & loss account for the year 2018 is as below:

Particulars	Amount	Particulars	Amount
To Direct Material Consumed	1,20,000	By sales	6,00,000
To Direct wages	1,80,000		
To Factory Overheads	75,000		
To Gross profit c/d	2,25,000		
	6,00,000		6,00,000
To Office expenses	1,35,000	By Gross profit b/d	2,25,000
To selling expenses	45,000		
To net profit	45,000		
	2,25,000		2,25,000

For the year 2019, it is estimated that:

1. The output and sales will be 3,000 typewriters.
2. Material will rise by 25% on the previous year level.
3. Wages per unit will rise by 10%.
4. Factory overheads will increase by 25% to the combined cost of direct material consumed and direct wages.

5. Selling cost per unit will remain unchanged.

6. Amount of office expense will remain unaffected by the rise in output

Prepare cost Sheet for 2018 and estimated cost sheet for 2019 showing the cost at which typewriters will be manufactured and give a price at which it should be marked so as to show profit of 10% on selling price. (20)

14) M/s Buildwell contractors having an authorised capital of Rs 1,00,000 commenced operation on 1st January 2018 and engaged in a contract, contract price of which was Rs 4,00,000. Trial balance of extracted from the books on 31st December 2018 stood as follows:

Particulars	Debit	Credit
Share capital		80,000
Creditors		8,000
Building	34,000	
Cash at bank	9,000	
<u>Contract Expenses:</u>		
Material	80,000	
Plant	15,000	
Wages	1,05,000	
Expenses	5,000	
Cash received being 80% of work certified		1,60,000
	2,48,000	2,48,000

Of the plant and materials charged to the contract, plant costing Rs 3,000 and material costing Rs 2,400 were destroyed by an accident.

On 31st December 2018 plant cost Rs 4,000 was returned to store, value of material at site was Rs 3,000 and the work uncertified was Rs 2,000.

Charge 10% depreciation on Plant

Prepare contract account and Balance sheet as on 31st December 2018. (20)

Q.5) (A) Mrs Jam Builders having undertaken a contract at a price of Rs 3,00,000 started work on 1st

January 2018. The following information is provided:

Particular	Amount	Particular	Amount
Material	85,624	Material at site 31 st Dec 2018	1,883
Plant installed at site	15,000	Plant at site 31 st Dec 2018	11,000
Labour	77,015	Cash received (90% of work certified)	1,80,000
Sundry direct expenses	7,293	Work uncertified	4,500
Material returned to store	549		

Prepare Contract account

(10)

(B) The following details are available from the costing records of a factory in which one process is employed after which the output is transferred to finished stock:

Particulars	Process A
Materials	1000 Tons @ Rs 50 per Ton
Direct wages	Rs 25,000
Factory Overheads	80% of Direct wages
Weight lost	50 Tons
Sale of By- products	150 Tons at cost plus 20%

Prepare Process A account and Process A By- Products Account

(10)

Q.6) Write short notes on **ANY 4**

(20)

1. Financial Accounting V/s Cost Accounting
2. Cost Unit and Cost Center
3. Accounting for Wastage
4. Fixed cost and Variable cost
5. Work certified