

**SARASWAT VIDYALAYA'S  
SRIDORA CACULO COLLEGE OF COMMERCE & MANAGEMENT STUDIES  
KHORLIM, MAPUSA-GOA.**

**B.COM THIRD SEMESTER END EXAMINATION JANUARY, 2021**

**w.e.f 2018-19 CBCS**

**DURATION: 2 HOURS**

**CC 10 FUNDAMENTALS OF COST ACCOUNTING**

**MAX MARKS: 40**

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**INSTRUCTIONS:**

- 1) *Question Paper* consist of **6 questions** of which **any 4** to be answered.
- 2) **Figures** to the right in the **brackets indicate maximum marks** allotted to questions.
- 3) Give **working notes** wherever **necessary**.

Answer **ANY FOUR** from the following:

**(4 x 10 = 40)**

a) Happy Ltd furnishes to you the following information for the year ended 31st March 2018:

Production & Sales	7,500 units	Direct wages	Rs 1,35,000
Direct Materials	Rs 1,65,000	Factory Overhead	Rs 1,12,500
Office overhead	Rs 52,500	Distribution overhead	Rs 45,000
Sales	Rs 6,37,500		

Due to severe competition the company estimates that production and sales activity to raise by one third after taking into account the following estimates for next year:

1. Materials and direct wages cost would be Rs 1,98,000 and Rs 1,44,000 respectively.
2. Out of the factory overhead, Rs 22,500 are of fixed nature & remaining expenses are variable in proportion to the number of units produced
3. office overheads total will be decline by 40%
4. Distribution overhead per unit would remain same.
5. Decline in selling price per unit is 20%

Prepare a **cost sheet** for year ending 31st March 2018 and **estimated cost sheet** for year ending 31st March 2019.

- b) Distinguish between Financial Accounts and Cost Accounts
- c) Explain the different classification of cost.

- d) Mr. Builder has undertaken several contracts works. He maintains a separate record for each contract. Following are the records given for contract no 45.

Particulars	Amount
Direct materials	1,80,000
Materials issued from stores	50,000
Wages	2,44,000
Direct expenses	78,000
Plant issued	1,60,000

The contract price was Rs 15,00,000. Cash received up to 31<sup>st</sup> December 2020 was Rs 6,00,000 which is 80% of work certified. Material at site Rs 16,000. Depreciation on plant is at 10% p.a.

Prepare **contract account** for contract No 45 and find out the amount to be transferred to **profit and loss account**.

- e) Product A is manufactured after it passes through two distinct processes and finally transferred to finished stock. The following information is obtained from the records of the company

Particulars	Process P	Process Q
Input of raw materials	1000 units @ of Rs 20 per unit	----
Direct materials	Rs 4,200	Rs 4,000
Direct wages	Rs 6,000	Rs 7,000
Production overheads	Rs 6,000	Rs 5,500
Output transferred	900 units	850 units
Normal loss	5%	10%
Value of scrap per unit	Rs 8	Rs 10

Prepare **Process P** and **Process Q** Accounts.

f) Jam Ltd provides you the following data relating to the manufacture of Jeans:

Direct materials consumed	40000
Direct labour	16000
Indirect labour	5000
Supervision costs (in factory)	2000
Factory premises rent	3200
Factory lighting	1200
Oil for machines	200
Depreciation of machines	1000
Office overheads	16000
Office salaries	4000
Misc. office expenses	2000
Selling and distribution overheads	12000

A profit of 20% on the total cost of goods is expected on the sale of Jeans.

Prepare **Cost Sheet** for the year ending 31<sup>st</sup> March 2019 in the books of Jam Ltd.