

Sridora Caculo College of Commerce and Management Studies,

Telang Nagar, Khorlim, Mapusa

S.Y. BCOM Third Semester End Examination January 2022

CBCS w.e.f. 2018-19

Sub: Fundamentals of Cost Accounting

INSTRUCTIONS ; 1) Q.NO. 1 IS COMPULSORY

2) ANSWER ANY THREE FROM Q. NO. 2 TO Q .NO . 6

3) FIGURES TO THE RIGHT INDICATE FULL MARKS

4) WORKING NOTES TO BE PREPARED WHEREVER NECESSARY

DURATION ; 2 HOURS

MAXIMUM MARKS : 80

Q. NO 1) From the following particulars prepare a cost statement showing the following ; (20 marks)

- a) Prime cost
- b) Works cost
- c) Cost of production
- d) Cost of sales

PARTICULARS		ON 1/1/2021	ON 31/12/2021
		RS.	RS.
Stock of finished goods		10,000	15,000
Stock of raw materials		30,000	40,000
PARTICULARS	AMOUNT (Rs.)	PARTICULARS	AMOUNT (Rs.)
Purchase of Raw Material	4,75,000	Sales for the year	10,60,000
Carriage inward	12500	Income tax	500
Direct wages	1,75,000	Dividends paid	1000
Sales manager's salary	30,000	Debenture interest	5000

Factory employees' salaries	60,000	Carriage outward	4,000
Depreciation on;		Direct Expenses	25,000
Plant & Machinery	10,000	Advertisement Expenses	4000
Office furniture	5,000	Packaging & counting Expenses	3500
Salaries of packaging Department	9000	Salesmen Salaries & commission	8000
Factory repairs & maintenance	10,000	Office staff salaries	9000
Audit fees paid	8000	Printing & Stationery	6000
Gas & Water ; Office-----	-9000	Manager's Salary (1/4th to factory,	
Factory -----	10,000	1/4 th to selling & ½ (half) to office)	40,000

Q. NO.2) The following is the TRIAL BALANCE of HIRAMANI BUILDERS & CONSRUCTIONS LIMITED for the year ended 31st December 2021 ; **(20 Marks)**

PARTICULARS	DEBIT	CREDIT
Share Capital; share of Rs. 10 each		3,51,800
Profit & Loss account on 1 st January 2021		25,000
Provision for depreciation of machinery		63,000
Cash received on account contract no . 104		12,80,000
Creditors		81,200
Land & buildings (cost)	74,000	
Machinery	52,000	
Bank	45,000	
Materials	6,00,000	
Direct labour	8,30,000	
Expenses	40,000	
Machinery on site	1,60,000	
TOTAL	18,01,000	18,01,000

Contract no.104 was begun on 1st January 2021 ,the contract price is Rs.24,00,000 and customer has so far paid Rs.12,80,000 being 80 % of the work certified .

The cost of work done but not certified is estimated to be Rs. 16,000

On 31st December 2021 after the above balance was extracted ,machinery costing Rs.42,000 was returned to stores ,and materials then on site were valued at Rs.27,000

Provision is to be made for direct labour accrued/outstanding Rs.6,000 and depreciation for all the machinery at 12.5 % on original cost.

You are required to prepare;

- The Contract No.104 account for the year ended 31st December 2021
- Profit & Loss account .
- Balance Sheet of HIRAMANI CONSTRUCTIONS Limited as on 31st December 2021 .

Q .No. 3) Prepare Process Accounts from the following information **(20 Marks)**

Particulars	Total	Process A	Process B	Process C
Materials (Rs.)	19,700	9200	4600	5900
Direct wages (Rs.)	19,000	5000	6000	8000
Production overheads (Rs.)	20,000	4,000	8,000	8,000
Actual output (units)	-----	950 units	840 units	750 units
Normal Loss (in percentage)	-----	5 %	10 %	15 %
Value of scrap per unit (Rs.)	-----	Rs.4	Rs.8	Rs.10

Raw Material (inputs) introduced 1000 units at Rs.7 per unit in Process A .

Q .No.4) (A) M/S MASHELKAR Constructions Limited undertook a contract for Rs. 3,00,000 for constructing a factory building .The following information is provided ; **(10 Marks)**

Particulars	Amount	Particulars	Amount
Materials sent to site	84,000	Cost of work done but not yet certified	4500
Labour engaged on site	64,000	Materials at site (31 st December)	4880
Plant installed at site at cost (1 st Jan)	25,000	Wages accrued on 31 st December	2400
Direct expenses	3200	Direct expenses accrued on 31 st	-----
Other expenses	4800	December	240
Material returned to stores	1900	Cash received from Contractee	1,80,000
Work Certified	1,95,000		
Value of Plant on 31 st December	14,000		

Prepare CONTRACT ACCOUNT for the year ended 31st December 2021 .

(B) Explain in brief the features of Joint and By-products . Also enumerate the objectives of accounting for joint and by-products . **(10 Marks)**

Q. No 5) Write short notes on **(any four)**

(5 x 4 = 20 Marks)

- a) Advantages of Cost Accounting .
- b) Classification of cost .
- c) Non – Cost items .
- d) Distinction between Financial accounting & Cost Accounting .
- e) Work certified

Q.No 6)The following information is available from the books of a company manufacturing luxury ceiling fans . Production & sales during the year ending 31st March 2021 was 1000 units . **(20 Marks)**

Direct materials -----	Rs.2,00,000
Direct wages -----	Rs.1,50,000
Factory expenses-----	Rs. 1,75,000
Administration expenses -----	Rs.60,000
Selling expenses -----	Rs.45,000
Sales -----	Rs.7,50,000

The following estimation is done for the estimated year ending 31st March 2022;

- 1) Production and sales will be 1500 units .
- 2) Materials prices per unit will increase by 25 % .
- 3) The Wage Rates per unit will increase by 20 % .
- 4) Factory expenses will increase in proportion to Direct wages as was in the previous year.
- 5) The total administrative expenses will increase by 66.66 % .
- 6) Selling expenses will be Rs. 90,000 .
- 7) The profit desired is 20 % on sales for the estimated year.

Prepare a) Cost sheet for the year ended 31st march 2021 (year 2020-21)

b) Estimated Cost Sheet for the year ended 31st march 2022 (year 2021-22)