

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

B.COM SIXTH SEMESTER END EXAMINATION JUNE, 2022

w.e.f 2019-20 CBCS

COST ACCOUNTING MAJOR V : ADVANCED COST ACCOUNTING I

DURATION: 2 HOURS

MAX MARKS: 80

INSTRUCTIONS:

- 1) **Question No.1** is compulsory.
- 2) Attempt **Any Three** questions from **Question No.2 to Question No.6**.
- 3) Each question carries 20 marks.
- 4) Give working notes wherever necessary.

Q.1) The following expenses were incurred for job during the year ended 31st December 2020

Particular	Amount
Direct materials	3,000
Direct wages	4,000
Direct expenses	1,000
Factory overhead	2,000
Selling and distribution overheads	2,000
Administration overhead	3,000

Selling price for the above job was Rs 18,000.

You are required to prepare the Job cost sheet indicating the Prime cost, Works cost, production cost, total cost and sale value.

From the job and an estimated price of a job which is to be executed for the year 2021, the direct materials, direct wages and direct expenses will be required of Rs 5,000, Rs 7,000 and Rs 2,000 respectively for the job. What should be the price for these jobs if factory intends to earn the same rate of profit on cost assuming that the various overheads should be recovered on the following basis:

- a)** Factory overheads as a percentage of direct wages **b)** Administration and selling & distribution overheads as a percentage of factory cost.

(20)

Q.2) Rajaram Automobiles distributes its goods to a regional dealer using a single lorry. The dealers premises are 40 kms away by road. The lorry has a capacity of 10 tonnes and makes the journey twice a day fully loaded on the outward journey and empty on return journeys. The following information is available for a four-weekly period during the year 2021:

Petrol consumption	8 Kms per litre
Petrol Cost	Rs 13
Oil	Rs 100 per week
Drivers wages	Rs 400 per week
Repairs	Rs 100 per week
Cost of lorry (excluding tyres)	Rs 4,50,000
Life of lorry	80,000 Kms
Insurance	Rs 6,500 per annum
Cost of tyres	Rs 6,250
Life of tyres	25,000 Kms
Estimated sale value of lorry at the end of its life	Rs 50,000
Vehicle license cost	Rs 1,300 per annum
Other fixed overhead cost	Rs 41,600 per annum

The lorry operates a five days week

You are required to:

- a) Prepare statement to show the total operating cost of the vehicle for the four-weekly period.
- b) Calculate vehicle cost per kilometer and cost per tonne kilometer.

Q.3) The net profit of Sukraft Company Ltd. appeared at Rs 56,652 as per the financial records for the year ending 31st March 2022. The cost books however showed a net profit of Rs 86,200 for the same period. A scrutiny of the figures from both the sets of accounts revealed the following facts:

Works overheads under recovered in cost books	1,560
Office overheads over recovered in cost books	850

Depreciation Charged in Financial accounts	5,600
Depreciation charged in Cost accounts	6,250
Interest on investments not included in cost books	4,000
Loss due to obsolescence charged in financial books	2,850
Income tax provided in financial books	20,150
Bank interest received entered in financial books	612
Value of opening stock in cost books	24,800
Value of opening stock in financial books	26,300
Value of closing stock in cost books	25,000
Value of closing stock in financial books	23,000
Interest charged in financial books	2,000
Loss on sale of furniture	5,600

Prepare statement showing the reconciliation between the net profits as per cost accounts and financial accounts.

Q.4)(A) A transport service company is running 5 buses between two towns which are 50 kilometers apart. Seating capacity of each bus is 50 passengers. The following particulars are obtained from their books for March 2021

Particular	Amount
Salaries of drivers	34,000
Diesel and oil	35,000
Repairs	8,000
Insurance	16,000
Depreciation	26,000
Interest	20,000

Actual passenger carried were 75% of the seating capacity. All buses runs on all the days of the month . each bus made one round trip per day.

Find out the cost per passenger kilometer.

(10)

(B) The annual demand of a product is 24,000 units. It is produced in batches and the largest size of a single is 6,000 units. After each batch is complete, the set up cost is Rs 750. The annual carrying cost is Rs 225 per unit.

Assume average inventory as one half of the number of units made in each batch. Selecting 4, 6, 8, 12 and 24 batches per annum, determine the Economic Batch Quantity using formula method and justify your answer using tabular method. **(10)**

Q.5)(A) Explain reasons for disagreement between profits of financial books with cost books. **(10)**

(B) Explain in details Procedure of Job Costing. **(10)**

Q.6) Write short notes on **ANY FOUR** of the following **(20)**

- 1) Carrying cost
- 2) Nature of Job Costing
- 3) Need for Reconciliation
- 4) Features of Operating Costing
- 5) Forms used in Job Order Costing