

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

B.COM THIRD SEMESTER END EXAMINATION NOVEMBER, 2022
w.e.f 2018-19 CBCS

CC 10 : FUNDAMENTALS OF COST ACCOUNTING

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) Following information is obtained from the books of *Barve Pvt Limited*:

Particulars	Amount	Particulars	Amount
Factory Salaries	6,500	Opening stock of materials	48,000
Administrative Office Salaries	12,600	Closing stock of materials	62,800
Director's Fees	6,000	Materials Purchased	1.85,00
Advertisement	4,300	Depreciation on Office Furniture	300
Carriage Inward	7,150	Salesmen commission	7,700
Interest received	6,500	Direct Wages	1,26,000
Repairs to Plant and Machinery	4,450	Gas and Water	1,600
Rent & Insurance (Factory)	8,500	Manager's Salary	10,000
Rent & Insurance (Office)	2,000	General Expenses	3,400
Travelling Expenses	2,100	Depreciation on Machinery	6,500

Additional information:

- a) Sales during the year is amounting to Rs. 4,61,000.
- b) Managers salary 1/4th to office and 3/4th to factory.
- c) Gas & water 75% to factory and 25% to office.

Prepare Cost Sheet in the books of *Barve Pvt. Ltd.*

(20)

Q.2) The product of a company passes through 3 distinct process. The following information is obtained from the accounts for the month ending January 31, 2021.

Particulars	Process – I	Process – II	Process – III
Direct Material	7800	5940	8886
Direct Wages	6000	9000	12000
Production Overheads	6000	9000	12000

3000 units @ Rs. 3 each were introduced to process – I. The output of each process passes directly to the next process and finally to finished stock A/c.

The following additional data is obtained:

Process	Output (units)	% of Normal Loss	Value of Scrap perunit (Rs.)
Process – I	2850	5 %	2
Process – II	2520	10 %	4
Process – III	2250	15 %	5

Prepare Process Account.

(20)

Q.3) The Rajaram contractor have supplied you the trial balance extracted from their books as on 31st December, 2021 which stood as follows:

Particulars	Rs.	Rs.
Share Capital being Rs.80 Paid up	-	80,000
Sundry Creditors	-	8000
Land & Buildings at Cost	34,000	
Cash at Bank	9000	
<u>Expenses incurred for contract:</u>		
Materials	80,000	
Plant	15,000	
Wages	1,05,000	
Expenses	5000	
Cash received being 80% of work certified	-	1,60,000
	2,48,000	2,48,000

The contract price for which the contract started is Rs. 4,00,000.

Of the Plant and Materials charged to the contract, Plant costing Rs.3000 and Materials costing Rs.2400 were destroyed by an accident.

On 31st December 2021, Plant which cost Rs.4000 was returned to stores, the value of materials at site was Rs.3000 and the cost of work done but not certified was Rs.2000.

Charge 10% depreciation on Plant and prepare the Contract Account and Balance sheet as on 31st December 2021. (20)

Q.4) Bharat Limited produced and sold 15,000 units of Fans during the year ended 31st March 2021. The summarised Trading and Profit & loss is as follows:

Trading and Profit & Loss A/c

Particulars	Amount (₹)	Particulars	Amount (₹)
To Direct Materials	3,75,000	By Sales	15,00,000
To Direct wages	2,25,000		
To Factory overhead	3,00,000		
To Gross profit c/d	6,00,000		
	15,00,000		15,00,000
To Office overhead	2,25,000	By Gross profit b/d	6,00,000
To Selling overhead	2,81,250	By Dividend received	20,000
To Goodwill w/f	37,000		
To Net profit	76,750		
	6,20,000		6,20,000

Following estimates have been made for the year ending 31st March 2022:

- Production and sales would be doubled.
- Direct materials per unit and direct wages per unit will rise by 20% and 40% respectively.
- Factory overhead per unit and selling & distribution per unit will increase by 5% and 20% respectively.
- Total office and administrative overhead would increase by 40%.
- Selling price per unit would rise by 10%.

Prepare cost sheet for the year ended 31st March 2021 and estimated cost sheet for the year ending 31st March 2022. (20)

Q.5)(A) The following expenditure was incurred on a contract of Rs 12,00,000 for the year ending 31-12-2021.

Particulars	Amount
Materials	2,40,000
Wages	3,28,000
Plant	40,000
Overheads	17,200

Cash received on account of the contract to 31-12-2021, was Rs 4,80,000, being 80% of the work certified. The value of materials in hand as on 31-12-2021 was Rs 20,000. The plant had undergone 20% depreciation.

Prepare Contract Account.

(10)

(B) Explain features of Joint product and By-product.

(10)

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

(20)

- 1) Distinguish between Cost Accounting & Financial Accounting
- 2) Advantages of Cost Accounting
- 3) Cost unit & Cost center
- 4) Accounting for Scrap
- 5) Cost classification on the basis of behaviour