

SARASWAT EDUCATION SOCIETY'S
SRIDORA CACULO COLLEGE OF COMMERCE AND MANAGEMENT STUDIES
KHORLIM, MAPUSA GOA
S.Y.B.COM THIRD SEMESTER END EXAMINATION NOVEMBER, 2023

CC-10 FUNDAMNMETALS OF COST ACCOUNTING

[Duration: Two Hours]
(W.E.F 2018-19) (CBCS)

[Max Marks: 80]
Total No. of Printed Pages: 03

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) From the books of accounts of M/s Johanna Enterprises, the following details have been extracted for the quarter ending 31st December 2022:

Particulars	Rs.
Stock of Materials-Opening	2,70,000
Stock of Materials-Closing	3,00,000
Purchases of Materials	12,48,000
Direct Wages	3,57,600
Direct Expenses	1,20,000
Indirect Wages	24,000
Salaries to Administrative Staff	60,000
Carriage Inwards	48,000
Carriage Outwards	37,500
Manager's Salary	72,000
General Charges	37,200
Provision for Income Tax	20,000
Commission on Sales	28,000
Fuel	96,000
Electricity charges (Factory)	72,000
Director's Fees	36,000
Repairs to Plant and Machinery	63,000
Rent, Rates and Taxes-Factory	18,000
Rent-Rates and Taxes-Office	9,600
Depreciation on Plant and Machinery	45,000
Depreciation on Furniture	3,600
Salesmen's Salaries	50,000
Audit Fees	18,000

Other Information:

1. The Manager's time is shared between the factory and the office in the ratio of 20:80.
2. Carriage outward includes Rs. 7500 being carriage inwards on Plant and Machinery.
3. Selling price is 120% of the cost price.

From the details prepare cost sheet for the quarter ending 31st December 2022.

(20 MARKS)

Q. 2) M/s Ashok Contractors Ltd. having an authorised capital of Rs. 1,00,000 divided into 1000 ordinary shares of Rs. 100 each commenced operations on 1st January 2022 and during the year was engaged in a contract, the contract price of which was Rs 4,00,000. The trial balance extracted from their books as on 31st December, 2022 stood as follows:

Particulars	Rs.	Rs.
Share Capital being Rs 80 paid up		80,000
Sundry Creditors		8,000
Land & Building at cost	34,000	
Cash at Bank	9,000	
Materials	80,000	
Plant	15,000	
Wages	1,05,000	
Expenses	5,000	
Cash Received being 80% of work certified	-	1,60,000
	<u>2,48,000</u>	<u>2,48,000</u>

Of the Plant and materials charged to the contract, Plant costing Rs. 3000 and materials costing Rs. 2,400 were destroyed by an accident.

On 31st December 2022, Plant which costs 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 2022.

(20 MARKS)

Q. 3) A soap is manufactured after it passes through three distinct processes. The following information is obtained from the records of the company.

Particulars	Process 1	Process 2	Process 3
Direct materials	2500	2000	3000
Direct wages	2000	3000	4000

1000 units at Rs. 5 each was introduced to Process 1. There was no opening or closing work in progress. The output of each process is transferred directly to next process and finally to finished stock. Production overheads are Rs. 9000 and are recovered on 100% of direct wages. The following additional data is also available:

Particulars	Process 1	Process 2	Process 3
Output (kg)	950	840	750
Percentage of Normal Loss	5 %	10 %	15 %
Value of scrap per kg (Rs.)	3	5	5

Prepare Process 1, 2 and 3 accounts.

(20 MARKS)

Q. 4) Hindustan Unilever Ltd. produced and sold 15,000 units of toothpastes during the year ended 31st March 2022. The summarised Trading, P& L A/c is as follows:

Trading & P& L A/c

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
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		
	<u>15,00,000</u>		<u>15,00,000</u>

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 estimate have been made for the year ended 31st March 2023.

- Production and Sales would be doubled.
- Direct material per unit and direct wages per unit will rise by 20% and 40% respectively.
- Factory Overheads per unit & Selling & Distribution overheads per unit will increase by 5% and 20% respectively.
- Total office and administrative overheads would increase by 40%.
- Selling Price per unit would rise by 10%.

You are required to prepare:

- Cost Sheet for the year ended 31st March 2022 showing cost per unit and total cost and
- Estimated cost sheet for the year ending 31st March 2023 showing cost per unit and total cost. **(20 MARKS)**

Q. 5) i) M/s Sharma Builders have undertaken a contract at a price of Rs. 3,00,000 started work on 1st January 2022. The following information is provided.

Particulars	Rs.
Materials issued to contract	85,624
Plant installed at site	15,000
Labour	77,015
Sundry direct expenses	7,293
Material returned to store	549
Material at site on 31 st Dec 2022	1,883
Plant at site on 31 st Dec 2022	11,000
Cash received (90% of work certified)	1,80,000
Work uncertified	4,500

Prepare Contract Account.

(10 MARKS)

ii) What is Process Costing? Explain the features of Process Costing.

(10 MARKS)

Q. 6) Write short notes on **any four** of the following: **(4 X 5 marks each = 20 MARKS)**

- Advantages of Cost Accounting.
- Cost centres and Cost Unit.
- Financial Accounting v/s Cost Accounting.
- Retention money with example.
- Direct Costs & Indirect Costs.

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