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**T.Y.B.COM SEMESTER VI (CBCS) ORDINANCE
EXAMINATION NOVEMBER 2023
Cost & Management Accounting - Advanced Cost Accounting I**

[Time: 2 Hours]

[Max. Marks:80]

- Instructions:** 1. Question No. 1. is compulsory.
2. Answer any three questions from Question No.2 TO Question No.6.
3. Give working notes wherever necessary.
4. Each question carries equal marks.

Q1 Narayan owns a fleet of taxis and the following information is available from his records : (20 Marks)

Number of taxis	10
Cost of each taxi	Rs. 2,00,000
Salary of Manager	6,000 p.m.
Salary of Accountant	5,000 p.m.
Salary of Cleaner	2,000 p.m.
Salary of Mechanic	4,000 p.m.
Garage rent	6,000 p.m.
Insurance premium	5% per annum
Annual tax	6,000 per taxi
Drives salary	2,000 p.m. per taxi
Annual repair	10,000 per taxi

Total life of a Taxi is about 2,00,000 km. A taxi runs in all 3000 km. In a month of which 30% it runs empty. Petrol consumption is one litre for 10 km @ Rs. 68 per litre. Oil and other sundries are Rs. 50 per 100 km. Calculate the cost of running a taxi per km.

Q2 A shop floor supervisor of a small factory presented the following cost for Job No. 305 to determine the selling price. (20 Marks)

Materials	Rs.140 per unit
Direct Wages 36 hours @ Rs. 2.50 (Dept. X 16 hrs, Department Y 12 hrs. & Dept. Z 8 hrs).	Rs. 90 per unit
Chargeable Expenses	Rs. 10 per unit
Total	Rs. 240
Add 33.33% for expenses	80
Total Cost	Rs 320

Analysis of the profit & Loss A/c of 2019 shows the following:

Particulars	Rs.	Particulars	Rs.
To Materials used	3,00,000	By Sales less returns	5,00,000
To Direct Wages:			
Dept. X 20000			
Dept. Y 24000			
Dept. Z 16000	60,000		
To Special stores Items	8,000		
To Works Overheads:			
Dept. X 10000			
Dept. Y 18000			
Dept. Z 4000	32,000		
Work Cost	4,00,000		
To Gross Profit c/d	1,00,000		
TOTAL	5,00,000	TOTAL	5,00,000
To selling expenses	40,000	By Gross Profit b/d	100000
To Net Profit	60,000		
TOTAL	1,00,000	TOTAL	1,00,000

It is also noted that average hourly rates for 3 departments P, Q, & R are similar.

You are required to:

1. Draw up a Job Cost Sheet
2. Calculate the entire revised cost using 2019 actual figures as basis.
3. Add 20% to total cost to determine the selling price.

Q3 The net profit of A. Co. Ltd. appeared at Rs. 60,652 as per financial records for the year ending 31st March 2019. The cost book 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:

(20 Marks)

Particulars	Amount
Works Overhead under recovered in costs	1,560
Administrative Overheads over recovered in costs	850
Depreciation charged in financial accounts	5,600
Depreciation recovered in costs	6,250
Interest on investments not included in costs	4,000
Loss due to obsolescence charged in financial accounts	2,850
Income tax provided in financial accounts	20,150
Bank interest & transfer fee in financial books	375
Stores adjustment (credit in financial books)	237
Value of opening stock :	
Cost Accounts	24,800
Financial Accounts	26,300
Value of closing stock:	
Cost Accounts	25,000
Financial Accounts	23,000
Interest charged in cost accounts	2,000
Goodwill written off	5,000
Loss on sale of furniture	600

Prepare a Reconciliation Statement.

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- Q4 a) Distinguish between cost control & cost reduction. (10 Marks)
b) Explain the essentials for the success of cost control. (10 Marks)
- Q5 A. Component XY is made entirely in machine shop no. AXY II. Material cost is Rs. 10 per component. Each component takes 6 minutes to produce and the machine operator is paid Rs. 8 per hour. Machine hour rate is Rs. 60 per hour. The setting up of the machine to produce the component takes 3 hours for the operator. You are required to prepare cost sheet showing the setting up costs and the production costs both in total (i.e. for the batch) and per component, assuming a batch size of
i) 100 components and ii) 200 components. (10 Marks)
- B. Mention the different tools and techniques used for cost reduction? (5 Marks).
C. What are the reasons for disagreement between cost and financial profits? (5 Marks)
- Q6 Write short notes on the following: (4 X 5 Marks)
a. Features of Job Costing
b. Hotel Operating Costing
c. Need for Reconciliation.
d. Elements of a cost control.