



GOA UNIVERSITY

B.Com Semester VI (CBCS)

Subject Name: Cost and Management Accounting Major VII

Paper Title: **Advanced Cost Accounting II**Paper Code: **UCOD126**Duration: **2:00** HoursTotal Marks: **80**

- Instructions:**
- i) Question No. 1 is compulsory.
 - ii) Answer any THREE questions from Question No. 2 to Question No. 6.
 - iii) Figures to the right indicate marks to the question/sub question.

Q.1 Mohan Infra Ltd. commenced a contract on 1st April 2023. The total contract price was for ₹ 25,00,000 and it is likely to be completed on 31st Dec. 2024. Actual expenditure upto 31st March 2024 and subsequent estimated expenditure upto 31st Dec. 2024 are given below.

Particulars	Actual	Estimated
	Till 31-03-2024	From 1-4-24 Till 31-12- 2024
	₹	₹
Material issued	400000	550000
Labour Paid	420000	260000
Plant purchased (Original Cost)	300000	0
Expenses paid	75000	150000
Expenses prepaid at end of year	20000	0
Plant returned to store (original cost)	100000	200000
Material at site	20000	50000
Work Certified	2000000	Full
Work Uncertified	25000	0
Cash Received	1600000	Full

The plant is subject to annual depreciation @ 25 % of original cost.

It was decided to estimate the total profit and to take to the credit of Profit and loss A/c the proportion of estimated profit to be realized on completion of the contract which the certified work bears to the total contract price.

Prepare the Contract Account and Estimated contract account.

(20 Marks)

Q.2 Pharma Ltd. produces product 'Glucodin' which passes through two processes before it is completed and transferred to finished stock.

Particulars	Process I	Process II	Finished Stock
	₹	₹	₹
Opening stock	150000	180000	450000
Direct Material	300000	315000	
Direct Wages	224000	225000	
Factory Overheads	210000	90000	
Closing Stock	74000	90000	225000
Inter process profit included in opening stock	0	30000	165000

Output of process I is transferred to process II at 25 percent profit on transfer price, whereas Output of process II is transferred to finished stock at 20 percent profit on transfer price. Stock in processes are valued at prime cost. Finished stock is valued at price at which it is received from Process II. Sales for the month is ₹ 28,00,000.

You are required to prepare

- 1. Process Accounts and Finished stock A/c showing profit element.
 - 2. Statement showing Actual Realized Profit
- Statement showing stock valuation (cost of closing stock)

(20 Marks)

Q.3 Following balances appeared in the books of MES Co. Ltd. on 1st January 2025. Prepare General Ledger Adjustment a/c, Stores Ledger Control Account, Work in progress control A/c and Finished Goods Ledger control A/c under non-integral system:

(20 Marks)

Particulars	₹	₹
General Ledger Adjustment A/c		15000
Stores Ledger Control A/c	8000	
Work In Progress Ledger Control A/c	4000	
Finished Goods Ledger Control A/c	3000	
	15000	15000
On 31-12-2025 the following information furnished:		
Purchase for stores		60000
Purchase for special job		2000
Direct wages	38000	
Indirect factory wages	9000	
Administration salaries	6000	
Selling and Distribution salaries	7000	60000
Production expenses		10000
Administrative expenses		9000
Selling and Distribution expenses		6000
Stores issued to production		56000
Stores issued to factory repairs account		2000
Returns to creditors		500
Production overhead absorbed by production		23000
Administration overhead absorbed by Finished goods		15000
Selling overhead recovered on sales		9000
Production finished during the year		120000
Finished goods sold at cost		130000
Sales		160000

Q. 4A) From the following details prepare Statement of Equivalent Production, Statement of cost, Statement of Evaluation by following FIFO Method. (10 Marks)

Opening Work in progress: 2000 Units

Degree of completion of Opening Work in progress:

Material (100 % Complete) ₹ 5000

Labour (60 % Complete) ₹ 3000

Overhead (60 % Complete) ₹ 1500

Total ₹ 9500

Units introduced into process 8000 Units.

At the end of period, there are 2000 units in process and stage of completion is estimated to be as below.

Material - 100 % Complete, Labour - 50 % Complete, Overhead - 50 % Complete

8000 Units are completed and transferred to next process.

The process cost for the period are:

Material ₹ 96,000, Labour ₹ 54,600, Overhead ₹ 31,200

Q.4 B) What is Inter Firm Comparison? Explain its pre-requisites. (10 Marks)

Q.5 A) Journalise the following transactions assuming cost and financial accounts are integrated. (10 Marks)

Sr. No.	Particulars	₹
1	Raw materials purchased on credit	20000
2	Direct material issued to production	15000
3	Wages paid	12000
4	Wages charged to production	9500
5	Manufacturing expenses paid	8400
6	Manufacturing overheads charged to production	9200
7	Selling and Distribution expenses incurred	2000
8	Finished product (at cost)	20000
9	Sales (On Credit)	29000
10	Payment to creditors	11000

Q.5 B) What is Uniform Costing? Explain its advantages to member units, workers, Trade unions and Govt. (10 Marks)

Q.6 Write short notes on any FOUR of the followings: (4 x 5 = 20 Marks)

- a) Responsibility Accounting
- b) Uniform Costing Manual
- c) Cost of Uncertified work
- d) Inter Process Profit
- e) Features of Integral Accounting System