



GOA UNIVERSITY

Cost Accounting Major V- Advanced Cost Accounting I

Paper Title: Advanced Cost Accounting-I

Paper Code: UCOD118

Duration: 2hours

Total Marks: 80

- Instructions:**
1. Question number 1 is compulsory
 2. Answer any three questions from Q. No.2 to Q. No. 6
 3. All Questions carry equal marks
 4. Figures to the right indicate marks

- Q.1** A factory is using job costing. The following data is obtained from the company's books for the year ended 31st March 2024. **(20 marks)**

Direct Materials	Rs. 1,00,000
Direct Wages	Rs. 2,40,000
Factory overheads	Rs. 60,000
Profit	Rs. 8,000
Administration overheads	Rs. 50,000
Selling and Distribution overheads	Rs. 22,000

A) Prepare a Job Cost Sheet indicating the Prime cost, Factory Cost, Cost of Production, Cost of Sales and Sales Value.

B) In the year 2025, the factory received an order for several jobs. It is estimated that the Direct Materials required will be Rs. 2,20,000 and Direct Wages will be Rs. 3,60,000. What would be the price for these jobs if the factory intends to earn same rate of profit on sales as in the previous year assuming that selling and distribution overheads have gone up by 15%?

- Q.2** The net profit of Max Co. Ltd as per the financial accounts is Rs. 3,75,372 for the year ending 31st March 2025. The cost books however showed a net profit of Rs. 3,55,574 for the same period. A scrutiny of the figures from the both the sets of accounts revealed the following facts: **(20 marks)**

Particulars	Rs.
Value of opening stock:	
Cost Accounts	52,000
Financial Accounts	32,000
Value of closing stock:	
Cost Accounts	20,000
Financial Accounts	15,000
Works overheads under recovered in costs	1,244
Administration overheads over recovered in costs	532
Selling overheads over recovered in costs	6,000
Depreciation charged in financial books	1,860
Depreciation recovered in costs	1,560
Interest received on investments not included in costs	4,000
Income tax provided in financial books	5,150
Bank interest credited in financial books	3,200
Dividend received in financial books	6,200
Loss due to obsolescence	2,440
Goodwill written off	5,000
Loss on sale of furniture	3,000
Interest charged in cost accounts	2,000

Prepare a statement of reconciliation.

Q.3 A Transporter maintains a fleet of buses as follows:

(20 marks)

No. of Buses	Carrying Capacity per Bus
20	50 passengers
10	40 passengers

On an average each bus makes five trips per day covering a distance of 20 kms in each trip. Normally 80% of the seats are occupied in each trip. 5 buses are laid for repairs and maintenance every day. Ascertain the Cost per passenger-km from the following information:

Salaries of 30 drivers	Rs. 15,000 each p.m.
Salaries of 30 cleaners	Rs. 10,000 each p.m
Diesel	Rs. 7,20,000 p.m.
Oil, Grease etc.	Rs. 60,000 p.m
Tyres, tubes etc.	Rs. 50,000 p.m
Repairs	Rs. 30,000 p.m
Depreciation	Rs. 1,40,000 p.m
Garage Rent	Rs.40,000 p.m
Road License	Rs. 1,20,000 per annum
Tax	Rs. 60,000 p.m
Interest	Rs. 20,000 p.m
General Supervision Charges	Rs. 2,40,000 per annum

Assume 30 working days in a month.

Q.4 A) A factory provides you with following details regarding Batch costing: (10 marks)

	Component A	Component B
Monthly Demand for the components	500 units	180 units
Setting up cost per batch	Rs.60	Rs. 30
Manufacturing cost per unit	Rs.20	Rs.10
Carrying cost per unit	10% p.a	10% p.a.

Calculate for Component A and Component B:

- i) Economic Batch Quantity
- ii) Number of batches run per year

B) Distinguish between Job costing and Batch Costing (10 marks)

Q.5 A) Distinguish between Cost Control and Cost Reduction. (10 marks)
B) Explain the essentials for the success of cost control. (10 marks)

Q.6 Answer the following (5X4 = 20)
a) Write a short on Economic Batch Quantity.
b) Explain in brief Entertainment costing.
c) Explain why reconciliation of Costing and Financial Profits is required?
d) What are the areas for cost reduction?