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**Reg No:**

**D. K. M. COLEGE FOR WOMEN (AUTONOMOUS), VELLORE- 1**

**SEMESTER EXAMINATION**

**NOVEMBER - 2017 15CPCO3C**

**ADVANCED COST ACCOUNTING**

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**Time: 3Hrs Max.Marks: 75**

**SECTION –A (5 X 6=30)**

**Answer ALL the questions.**

1. (a) What are the Objectives of Cost Accounting?

(Or)

(b) From the following information prepare a cost sheet for the month of Dec. 1985.

Rs.

Stock on hand – 1st Dec. 1985 Raw materials 25,000

Finished goods17,300

Stock on hand – 31st Dec. 1985 Raw materials 26,200

Finished goods 15,700

Purchased of raw materials 21,900

Carriage on purchases 1,100

Work-in-progress 1.12. 85 at works cost 8,200

Work-in-progress 31.12. 85 at works cost 9,100

Sales of finished goods 72,300

Direct wages 17,200

Non-productive wages 800

Direct expenses 1,200

Factory overheads 8,300

Administrative overheads 3,200

Selling and distribution overheads 4,200

1. (a) Find out equivalent production, cost per unit of equivalent production and prepare

process account from the following:

Units put into process 2,500

Units completed 2,000

Work-in-progress at the end 500 units

Process costs: Rs.

Materials 22,500

Labour 6,750

Overheads 2,250

Work-in-progress in completed 50% as to materials, labour and overheads.

(Or)

(b) A Joint process results in the production of three products A, B and C at a total cost of

Rs. 26,250.The subsequent costs of the products were Rs.8,000, Rs.10,000 and Rs.12,000

respectively.

They were sold as follows with estimated profit on sales.

Product A: Rs.20,000; profit 20%

Product B: Rs.28,000; profit 25%

Product C: Rs.40,000; profit 30%

Show the apportionment of joint costs on the basis of net realisable value.

1. (a) The following is the information relating to Contract No.123.

Rs.

Contract price 6,00,000

Wages 1,64,000

General expenses 8,600

Raw materials 1,20,000

Plant 20,000

As on date, cash received was Rs.2,40,000 being 80% of work certified. The value of materials

remaining at site was Rs.10,000. Depreciate plant by 10%. Prepare contract account showing

profit to be credited to P & L A/c.

(Or)

(b) From the following information of Velmurugan Construction Company prepare the contract

account for 2009. Also show what part of the profit on the contract should be taken credit of in

2009. The contract was for Rs.8,00,000

|  |  |
| --- | --- |
|  | Rs. |
| Materials issued from stores  Wages paid  General charges  Plant installed at site on 1st July 2009  Materials on hand at close  Wages accrued due  Work certified  Work completed but not certified  Cash received  Materials transferred to other contracts  Depreciation on plant is to be provided at 10% per annum. | 1,50,000  2,20,000  8,000  40,000  8,000  8,000  4,00,000  12,000  3,00,000  8,000  2,000 |

1. (a) A manufacturing concern which has adopted standard costing furnishes the following

information:

Standard: Materials for 70 kgs of finished product : 100 kgs

Price of material Rs.1 per kg

Actual: Output 2,10,000 kg

Materials used 2,80,000 kg

Cost of materials Rs.2,52,000

Calculate: (a) Material price variance (b) Material usage variance (c) Material cost variance.

(Or)

(b) From the following data, calculate Labour Variances for the two departments.

**Dept A Dept B**

Actual Direct wages Rs. 80,000 Rs. 72,000

Standard hours produced 10,000 8,000

Standard Rate per hour Rs. 8 Rs. 10

Actual hours worked 12000 7000

1. (a) From the following figures prepare a reconciliation statement between cost and

financial records: Rs.

Net profit as per financial records ,28,755

Net profit as per costing records 1,72,400

Works overheads under-recovered in costing 3,120

Administrative overhead recovered in excess 1,700

Depreciation charged in financial records 11,200

Depreciation recovered in costing 12,500

Interest received but nor included in costing 8,000

Obsolescence loss charged in financial records 5,700

Income tax provided in financial books 40,300

Bank interest credited in financial books 750

Stores adjustment (credit in financial books) 475

Depreciation of stock charged in financial books 6,750

(Or)

(b) Distinguish between Cost Control and Cost Reduction.

SECTION-B (3x15 =45)

**Answer any THREE of the following questions.**

1. The accounts of a machine manufacturing company disclose the following information for six months ending 31st December 1982.

Rs.

Material used 1,50,000

Direct wages 1,20,000

Factory overheads 30,000

Administrative expenses 15,000

Prepare cost sheet for the half year and calculate the price which the company should quote for the manufacture of a machine requiring materials valued at Rs.1,250 and expenditure in productive wages Rs.750, so that the price might yield at a profit of 20% on the selling price.

1. A product passes through two processes and then to finished stock. The normal wastage of each process is as follows.

Process A 30% and process B 5%

The wastage of process A was sold @ Rs.5 per unit and that of process B at Rs.10 per units. 20,000 units were introduced into process A at the beginning of January 2007 at a cost at Rs.40 per unit.

|  |  |  |
| --- | --- | --- |
|  | Process A  Rs. | Process B  Rs. |
| Sundry materials  Wages  Manufacturing expenses | 40,000  2,00,000  30,000 | 60,000  3,20,000  28,500 |

The output of process A was 19,000 units and that of process B 18,200 units. Prepare the Process Accounts, Normal Loss Account, Abnormal Loss Account and Abnormal Gain Account.

1. Modern Construction Ltd., has taken contracts on 1st Oct. 1985. The position of contracts on 30th Sep. 1986 is as follows:

|  |  |  |
| --- | --- | --- |
|  | Contract I  Rs. | Contract II  Rs. |
| Contract price  Materials  Wages paid  Other expenses  Plant at site  Unused materials at site  Wages payable  Other expenses  Work certified  Cash received  Work completed but not yet certified | 27,00,000  5,80,000  11,24,000  28,000  1,60,000  40,000  36,000  4,000  16,00,000  12,00,000  80,000 | 60,00,000  10,80,000  16,50,000  60,000  3,00,000  60,000  54,000  9,000  30,00,000  22,50,000  90,000 |

The plant at site be depreciated at 10%. Prepare the contract account in respect of each work, showing the notional profit and also the profit to be transferred to profit and Loss Account.

1. The following information is available from the records of Konark Mills Ltd.;

Budget Actual Rs.

Fixed overhead for March Rs. 2,00,000 2,40,000

Production in March in units 40,000 42,000

Actual hours worked - 4,40,000

Standard time in hours 4,00,000 -

You are required to compute all the possible fixed overhead variances.

1. Explain the Accounting Treatment of Wastages, Scrap, Spoilage and Defectives.

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