

--	--	--	--	--	--	--	--	--	--	--

Reg No:

**D. K. M. COLLEGE FOR WOMEN (AUTONOMOUS), VELLORE-
1
SEMESTER EXAMINATION
NOVEMBER - 2017**

**15CPCO3C
ADVANCED COST ACCOUNTING**

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 – 1 st Dec. 1985	Raw materials	25,000
Finished goods 17,300		
Stock on hand – 31 st 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

2. (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.

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

per annum.	
------------	--

4. (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

5. (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 not 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.

6. 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.

7. 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	40,000	60,000
Wages	2,00,000	3,20,000
Manufacturing expenses	30,000	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.

8. 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		60,00,000
Materials	27,00,000	10,80,000
Wages paid	5,80,000	16,50,000
Other expenses	11,24,000	60,000
Plant at site	28,000	3,00,000

Unused materials at site	1,60,000	60,000
Wages payable	40,000	54,000
Other expenses	36,000	9,000
Work certified	4,000	30,00,000
Cash received	16,00,000	22,50,000
Work completed but not yet certified	12,00,000	90,000
	80,000	

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.

9. 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.

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

* * * * *