

B.Com. DEGREE EXAMINATION, NOVEMBER 2018
III Year VI Semester
Core Major - Paper XIX
ADVANCED COST ACCOUNTING

Time : 3 Hours

Max.marks :75

Section A ($10 \times 2 = 20$) Marks

Answer any **TEN** questions

1. Define Job Costing.
2. How do you determine Economic Batch Quantity?
3. Find the amount of selling price, when cost of sales is Rs.64,000 and percentage of profit on sale is 20%.
4. Compute percentage of factory overheads to direct wages from the following:
Direct Wages - Rs.2,70,000
Factory Overheads - Rs.81,000
5. What is meant by Operating Costing?
6. Calculate the rate per passenger to be charged from the following:
Total operating cost to be incurred on a bus is Rs.1,40,770
Actual passenger kms. run: 3,88,000
7. Calculate total kilometres of a truck from the following:
Number of days operated in a month : 30
Distance travelled per day : 100 kms.
Trips per day : 1
Number of tonnes of goods carried : 5
8. What is meant by process costing?
9. Calculate abnormal loss or gain in units from the following:
Input – 2000 units, Normal loss – 10%, Output – 1620 units
10. What is equivalent production?
11. Calculate equivalent production:
Opening stock 5000 units 60% complete, units brought into the process 25,000.
Transferred to next process 20,000 completed units. Closing stock 10,000 units 40% complete.
12. Cost of process X – Rs.2,70,000; Joint products produced X – 500kgs, Y – 1500 kgs. Market price per unit X – Rs.30, Y – Rs.20. Divide joint cost on market value basis.

Section B ($5 \times 5 = 25$) MarksAnswer any **FIVE** questions

13. Explain the rules for calculating profit on incomplete contract.
14. Prepare production account from the following details:

Particulars	Coal (Rs.)	Coke (Rs.)	Lime (Rs.)	Iron Ore (Rs.)	Sundries (Rs.)
Stock on Jan. 1 st	50,000	40,000	15,000	80,000	20,000
Purchases	2,00,000	1,60,000	35,000	2,20,000	30,000
Stock on Dec. 31 st	30,000	50,000	20,000	60,000	10,000

The total production of sponge iron was 10,000 tons. CityplaceSale of scrap of the direct materials was Rs.20,000. The works charges were Rs.1,00,000 and the wages for the period amounted to Rs.3,00,000.

15. From the following information, calculate total kms. and passenger kms.

Number of buses : 10

Days operated in the month : 25

Round trips made by each bus : 4

Distance of route : 20 kms. (one side)

Capacity of bus : 40 passengers

Normal passenger travelling : 90% of capacity

16. A lorry starts with a load of 20 tonnes of goods from Station A. It unloads 8 tonnes at Station B and rest of goods at Station C. It reaches back directly to Station A after getting reloaded with 16 tonnes of goods to Station C. The distance between A to B, B to C and then from C to A is 80 kms., 120 kms. and 100 kms. respectively. Compute 'absolute tonne-km.' and 'commercial tonne-km.'
17. Process A is obtained after it passes through three distinct processes. 2,000 kgs. of materials at Rs.5 per kg. were issued to process. Direct wages amounted to Rs.900 and production overheads incurred was Rs.500. Normal loss is estimated at 10% of input. The wastage is sold at Rs.3 per kg. The actual output is 1850 kgs. Prepare process account.
18. A coke manufacturing company produces the following products by putting 5,000 tonnes of coal at Rs.25 per tonne into common process.
- Coke - 3,500 tons
- Tar - 1,200 tons
- Sulphate - 52 tons
- Benzol - 48 tons

Apportion the joint cost amongst the products on the basis of physical units method.

19. A by-product is derived in the course of manufacturing a product Alpha. From the following data, prepare an account showing the cost per kg. of the product Alpha and the by-product Beta.

Particulars	Joint Expenses (Rs.)	Separate Expenses (Rs.)	
		Alpha	Beta
Material	10,000	6,000	500
Wages	7,000	5,000	2,000
Overheads	2,500	1,500	600
	19,500	12,500	3,100

Both Alpha (100 kg.) and Beta (50 kg.) were produced. The selling price of Beta was Rs.120 per kg. on which the profit earned was at 30%.

Section C ($2 \times 15 = 30$) Marks

Answer any **TWO** questions

20. From the following information, prepare a monthly cost sheet of the Brick work showing cost and profit per brick.

Material used : Lime - 895 tons @ Rs.50 per ton

Coal – 820 tons @ Rs.30 per ton

Sand – Rs.1.50 per bricks

Stores – Rs.14,650

Labour: Sand digging and running - Rs.10,000

Brick making – Rs.40,000

Factory Overheads: 25% of direct charges

Office Overheads: 10% of direct charges

Bricks sold 3,500 @ Rs.55 per brick

Opening stock of bricks – 100

Closing stock of bricks - 600

21. From the following particulars, calculate the cost of running a taxi per kilometre

Number of taxis - 10

Cost of each taxi - Rs.2,00,000

Salary of Manager - Rs.6,000 p.m.

Salary of Accountant - Rs.5,000 p.m.

Salary of Cleaners - Rs.2,000 p.m.

Salary of Mechanic - Rs.4,000 p.m.

Garage rent - Rs.6,000 p.m.

Insurance Premium - 5% p.a.

Annual tax - Rs.6,000 per taxi

Driver salary - Rs.2,000 p.m. per taxi

Annual repair - Rs.10,000 per taxi

Total life of a taxi is about 2,00,000 kms. A taxi runs in all 3,000 kms. in a month of which 30% it runs empty. Petrol consumption is one liter for 10km at Rs.30 per liter. Oil and other sundries are Rs.50 per 100kms.

22. A product passes through two process to completion. These processes are known as A and B. Output of Process A is transferred to Process B at cost plus 25% and finished output of B is similarly transferred to finished stock at cost plus 25%. There was no work-in-progress in any process on 31st December. On this date, the following further information is available:

Particulars	Process A (Rs.)	Process B (Rs.)
Materials consumed	8,000	24,000
Wages	12,000	16,000
Closing Stock (valued at prime cost)	4,000	12,000

Out of the finished stock, a portion remained at hand valued Rs.11,000, the balance was sold for Rs.58,000. Prepare process accounts and finished stock account.

23. From the following data calculate, (a) Equivalent production, (b) Cost per unit of equivalent production and (c) Cost of units completed and awaiting production.

Number of units introduced into the process : 4,000

Number of units completed and transferred to next process : 3,000

Number of units in process at the end of the period : 800

Stage of completion:

Material - 80%

Labour - 70%

Overheads - 70%

Normal process loss at the end of the process (units) : 200

Value of scrap : Rs.1 per unit

Value of materials - Rs.7,480

Wages - Rs.10,680

Overheads - Rs.7,120