

**M.Com DEGREE EXAMINATION, APRIL 2019**  
**I Year II Semester**  
**Advanced Cost Accounting**

**Time : 3 Hours**

**Max.Marks :75**

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

Answer any **TEN** questions

1. Define Costing?
2. How are Tenders or Quotations prepared?
3. What is indirect cost?
4. What are the different types of cost centre?
5. What is Job costing?
6. From the following data calculate the value of materials consumed

	Rs.
Opening stock of Raw materials	40,000
Closing stock	30,000
Purchase of Raw materials	2,10,000

7. Ascertain the profit for 2006  
 Cost of goods sold Rs.6, 60,000  
 Profit at 25% on sales
8. Calculate the profit as per financial accounts

	Rs.
Profit as per cost accounts	8,000
Income not recorded in cash accounts	1,200
Expenses not charged in financial accounts	1,800

9. Write a note on ABC costing.
10. Write a note on scrap and spoilage.
11. Cost price Rs.30,375  
 Profit is 10% on sales  
 Calculate profit.
12. Define Estimated Profit.

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

13. What are the objectives of cost accounting?
14. Describe the role of the cost accountant in determining the quotation price as against a tender.
15. Explain the various types of Cost audit.
16. From the following particulars ascertain the amount of production overheads

	Rs.
Indirect wages	1,000
Depreciation on plant & Machinery	3,000
Depreciation on Office furniture	1,200
Factory, rent, rates & powers	500
Repairs to plant & Machinery	1,800
Travelling expenses	1,500

17. From the following figures Prepare Reconciliation Statement

	Cost books(Rs.)	Financial books(Rs.)
Profit	50,000	?
Marketing overhead	8,000	8,000
Provision for bad debts	-	5,000
Factory overhead	8,500	7,000
Director's fee	-	2,000
Income tax paid	-	15,000
Rent of own premises	6,000	-
Depreciation	11,250	12,000
Share transfer fee (cr)	-	1,000
Administrative overhead	5,000	8,000

18. An expenditure of Rs. 1,92,000 has been incurred on a contract at the end of 31<sup>st</sup> March 2002. The value of work done and certified is Rs. 2,10,000. The cost of work done but not yet certified is Rs. 6,000. It is estimated that the contract will be completed by 30<sup>th</sup> June 2002 and an additional expenditure of Rs. 18,000 will have to be incurred to complete the contract. The total estimated expenditure on the contract is to include a provision of 12.5 percent for contingencies. The contract price is Rs. 2,80,000 and Rs. 1,68,000 has been realised in cash up to 31<sup>st</sup> March 2002. Calculate the proportion of profit to be taken to profit and loss account as on 31<sup>st</sup> March 2002 under different methods.
19. From the following data relating to vehicle A complete the cost per running tonne-Km:

Kilometres run (annual)	15,000
Tonnes per Km (average)	6
Cost of vehicle	Rs. 2,50,000
Road Licence(annual)	Rs. 800
Insurance(annual)	Rs. 700
Garage rent(annual)	Rs. 1,300
Supervision and salaries	Rs. 2,700
Drivers wages per hour	Rs. 4
Cost of fuel per litre	Rs. 6
Kms run per litre	20
Repair and maintenance per Km	Rs. 2
Tyre allocation per Km	Rs. 1
Estimated life of the vehicle	1,00,000 Kms

Charge interest at 5% per annum on cost of vehicle. The vehicle runs 20Kms per hour on an average.

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

Answer any **TWO** questions

20. Explain in detail the various methods of Cost.
21. The following figures relate to the costing of a Tarpaulin manufactures in respect of a certain type of a sheet for a period of three months:

	Rs.
Stock of materials (1-1-2001)	11,000
Stock of materials (31-3-2001)	7,000
Productive wages	1,66,000
Materials purchased	1,23,000
Sales	2,87,100
Indirect expenses	26,000
Completed stock (1-1-2001)	NIL
Completed stock (31-3-2001)	58,000

The number of sheets manufactured during three months was 4,400 and the price is to be quoted for 1,296 sheets in order to realise the same percentage of profit as for the period under review assuming no alteration in rates of wages and cost of materials. Prepare a statement of cost for the manufacturer of 4,400 sheets and Quotations for 1,296 sheets.

22. For a company, the profit as per cost account is Rs. 86,250. The following points are found out on comparison between cost accounts and financial accounts.

	Cost accountsRs.	Financial accountsRs.
Opening stock:		
Materials	10,300	10,500
Work-in-progress	8,000	8,500
Closing stock:		
Materials	15,000	14,000
Work-in-progress	6,000	5,600

Dividend and interest received Rs. 600

Loss on sale of investments Rs.1,000

Expenses charged in cost accounts but not considered in financial account Rs. 1,500

Goodwill Rs. 2,500 and preliminary expenses Rs. 3,000 have been written off during the year.

Overheads incurred Rs. 40,600 but overheads recovered amounts to Rs. 38,500

Find out the profit as per financial accounts by preparing a reconciliation statement.

23. Batch No X-37 incurred the following costs:

Direct Materials Rs. 3,290

Department A: 420 labour hours at Rs. 3.50

Department B: 686 labour hours at Rs. 3.00

Factory overheads are absorbed on labour and the rates are Rs. 8 per hour for Department A and Rs. 5 per hour for Department B.

The firm uses a cost plus system for setting selling prices and experts a 25% gross profit (sales value minus factory cost).

Administration overheads are absorbed at 10% of selling price.

Assuming that 1,000 units were produced in Batch No X-37, Calculate

- The selling price per unit.
- The total amount of administrative overheads recovered by Batch No X-37; and
- The notional net profit per unit