

**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 the term Costing..
2. What is a Cost Sheet?
3. Explain the meaning of Normal Loss.
4. What is Product Costing?
5. What is Contract Costing?
6. Compute Economic Batch Quantity through EBQ formula Annual demand 2,500 units Selling up cost Rs.250: Cost of Production per unit Rs 250: Rate Of interest 20%
7. Define Operating Costing.
8. What is transport costing?
9. Explain the meaning of Cost Audit.
10. What do you mean by Cost Audit Programme? .
11. Mention any two limitations of Cost Accounting.
12. State the meaning of Cost Control.

**Section B** ( $5 \times 5 = 25$ ) Marks

Answer any **FIVE** questions

13. Discuss the objectives of the costing.
14. During the year 2018 X Ltd, produced 50,000 units of a products. The following were the Expenses:

Stock of raw materials on 01-01-2018	10,000
Stock of raw materials on 31-12-2018	20,000
Purchases	1,20,000
Direct wages	75,000
Direct expenses	25,000
Factory expenses	37,500
Office Expenses	62,500
Selling expenses	25,000

Prepare cost sheet.

15. From the following information, you are required to prepare process account.

Materials Consumed	12,000
Director labor	14,000
Manufacturing expenses	4,000
Input in process A(10,000units)	10,000

Output(9,400 Units)

Value of normal wastage Rs 8 per 100 Units.

16. From the following information prepare Job No 632 account in the job cost ledger.

Direct material purchased	3,600
Direct material received from stores	25,200
Direct wages	14,400
Other direct expenses	1,500

The works overheads are to be taken at 75% of wages and administrative overheads at 25% of the works cost. The contract price of the Job No 632 which is fixed as Rs 82,500.

17. From the following data calculate the cost per mile of a vehicle.

Value of vehicle	1,00,000
Garage rent per year	1,200
Insurances charges p.a	400
Road tax p.a	500
Driver's wages per month	600
Cost of petrol per litre	6.40
Type maintenance per mile	0.80

Estimated life 1,50,000 miles. Miles per litre of petrol 8: Estimated annual mileage 6,000.

18. Differentiate between the Cost Control and Cost Reduction.  
19. Explain the different types of cost audit.

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

Answer any **TWO** questions

20. The accounts of a machine manufacturing company disclose the following information for six months ending 31<sup>st</sup> December 2008.

Materials used Rs. 1,50,000

Direct Wages Rs. 1,20,000

Factory Overheads Rs. 30,000

Administrative expenses Rs. 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 a profit of 20% on selling price.

21. The following details are available in respect of processes 'A' and 'B' for May 2010.

Particulars	Process A(Rs)	Process B(Rs)
Material consumed	50,000	10,000
Wages	20,000	30,000
Overheads	10,000	10,000

Process A transfers its output to process B at a profit of 20% on transfer price and process 'B' transfers its product to finished stock at 20% on cost. The finished goods are sold for Rs 2,00,000. Prepare the process accounts, finished stock account and profit and loss account showing the total profit for the month, assuming the sundry expenses were Rs 20,000, which apportioned to the processes.

22. Mr.K.Ramesh undertook a contract for the construction of houses on 1st January 2008. The contract price was Rs.22,50,000. The following figures are available for 2008 :

Particulars	Rs
Material purchased	3,60,000
Materials issued from stores	45,000
Labour	1,35,000
Plant installed at site	1,80,000
Direct expenses	90,000
Establishment charges	22,500
Materials returned to stores	22,500
Materials on hand at the end	9,000
Plant in hand at the end	1,35,000
Wages outstanding	36,000
Direct expenses outstanding	27,000
Work uncertified	95,400
Cash received (80% of work certified)	9,00,000

Prepare the Contract account. Show the relevant items in the balance sheet.

23. The following cost data is available from the books of A.B.C Power Co.,Ltd for 2009. Prepare cost sheet showing cost of power generation per unit of K.W.H

Particulars	Rs
Operating house	16,500
Plant supervision	5,250
Lubricants and Supplies	10,500
Repairs	21,000
Administrative overheads	9,000
Capital Cost	1,50,000

Total units of Power Generated 15,00,000. Cost consumed per K.W.H for the year 1.5 pounds and the cost of coal purchased is Rs 33.06 per metric ton. Depreciation is at 4% per annum and the interest on capital is to be taken at 7% per annum.

1 tonne = 2205 pounds.