

B.Com.(A&F) DEGREE EXAMINATION, NOVEMBER 2018
III Year VI Semester
ADVANCED COST ACCOUNTING

Time : 3 Hours

Max.marks :75

Section A (10 × 2 = 20) Marks

Answer any **TEN** questions

1. What is Job Costing?
2. What is "Work Certified"?
3. What is Abnormal Loss?
4. What is BEP?
5. What is operating costing?
6. Ascertain abnormal loss or gain in units:

Input	: 2000 units
Normal loss	: 10%
Output	: 1620 units
7. Calculate total passenger km from the following:

Number of buses	- 5
Trips made by each bus	- 4
Distance of route	- 20 kms(one way)
Days operated in a month	- 25
Capacity in each bus	- 50 passengers
Normal passengers travelled	- 90% of capacity.
8. Compute cost of output and abnormal loss or gain

Cost of the process	Rs. 1,50,000
Input in units	10,000
Normal loss	5%
Scrap value of normal loss per unit	Rs.5.50
Output	9600 units
9. Prepare a job cost sheet:

Materials Rs. 2,000 ; Labour 50hours @ Rs. 10 per hour, Works overhead 100% of wages; Office overhead 60% of works cost ; Profit 20% on sales.
10. Ascertain the amount of profit taken to Profit and Loss account.

Notional profit	Rs.60,000
Work certified	Rs.8,00,000
80% work certified is paid in cash	
Contract price	Rs.10,00,000
11. From the following information, find out P/V ratio and margin of safety.

Sales	Rs. 10,00,000
Variable cost	Rs. 4,00,000
Fixed cost	Rs. 4,00,000

12. From the data given below, ascertain the profit when sales are 2000 units.

Selling price	Rs.1,000 per unit
Variable cost	Rs.400 per unit
Fixed cost	Rs.5,00,000

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

Answer any **FIVE** questions

13. The following was the expenditure on a contract for Rs.6,00,000 commenced in February 2004

Materials – Rs.1,20,000; Wages – Rs.1,64,400; Plant – Rs.20,000; Business charges – Rs.8,600.

Cash received on account up to 31st Dec.2004 amounted to Rs.2,40,000 being 80% of work certified. The value of materials on hand at 31-12-2004 was Rs.10,000. Prepare contract account for 2004 showing the profit to be credited to the year's profit and loss account. Plant is to be depreciated at 10%

14. A transport company is running four buses between two towns which are 50 kms apart. Seating capacity of each bus is 40 passengers. The following particulars were obtained from their books for April, 1998

Wages of drivers and conductors	Rs.2,400
Salaries to office staff	Rs.1,000
Diesel and other oils	Rs.4,000
Repairs and maintenance	Rs.800
Taxes and insurance	Rs.1,600
Depreciation	Rs.2,600
Interest and other charges	Rs.2,000

Actual passengers carried were 75% of the seating capacity. All the four buses run on all days of the month. Each bus made one round trip per day. Find out the cost per passenger km.

- 15.

Profit	Rs. 200
Sales	Rs. 2,000
Variable Cost	75% of sales

Find out (i) BEP (ii) What would be the sales volume to earn a profit of Rs. 500

16. An automobile manufacturing company finds that while the cost of making its own workshop part No. 0028 is Rs. 6.00 each, the same is available in the market at Rs. 5.60 with an assurance of continuous supply. Write a report to the management giving your views whether to make or buy this part. Give also your views in case the suppliers reduce the price from Rs. 5.60 to Rs. 4.60. The cost data is as follows:

Materials	2.00
Direct labour	2.50
Other variable costs	0.50
Depreciation and other fixed costs	1.00

Total	6.00

17. From the following information prepare job no 236. account in the job cost ledger:

Particulars	Rs.
Direct materials purchased	3,600
Direct materials received from stores	25,200
Direct wages	14,400
Other direct expenses	1,500

The work overheads are to be taken at 75% of wages and administrative overheads at 25% of work cost. The contract price of job no 236 which is completed is fixed as Rs. 82,500.

18. Explain the objectives of job costing.
19. What are the limitations of marginal costing?

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

Answer any **TWO** questions

20. The sales and profit for 1996 and 1997 are as follows:

	Sales Rs.	Profit Rs.
1996	1,50,000	20,000
1997	1,70,000	25,000

Find out:

- (a) P/V ratio (b) BEP (c) Sales for a profit of Rs. 40,000
(d) Profit for a sales of Rs. 2, 50,000 and
(e) Margin of safety at a profit of Rs. 50,000
21. Product A is obtained after it passes through three distinct processes. Prepare process accounts from the following.

	Total Rs.	Process I Rs.	Process II Rs.	Process III Rs.
Materials	15,084	5,200	3,960	5,924
Labour	18,000	4,000	6,000	8,000
Production overheads	18,000	-	-	-

1,000 units of materials at the rate of Rs. 6 per unit were introduced in Process I. Production overhead is to be distributed at 100% on labour.

Processes	Total output Units	Normal loss	Value of scrap per unit (Rs.)
I	950	5%	4
II	840	10%	8
III	750	15%	10

22. Jai owns fleet of taxis and the following informations are available from the record maintained by him:

Number of taxis	10
Cost of each taxi	Rs.20,000
Salary of manager	Rs.600 p.m.
Salary of accountant	Rs.500 p.m.
Salary of cleaner	Rs.200 p.m.

Salary of mechanic	Rs.400 p.m.
Garage Rent	Rs.600 p.m.
Insurance premium	5% per annum
Annual Tax	Rs.600 per taxi
Driver's salary	Rs.200p.m.per taxi
Annual repair	Rs.1,000 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 1 litre for 10 kms. @ Rs. 1.80 per litre. Oil and other sundries are Rs. 5.00 per 100 kms.

Calculate the cost of running a taxi per km.

23. Mr. Veerappan started a work on a contract for Rs. 5,00,000 on 1.1.2003. The following information relating to contract is available.

	Rs.
Materials issued	1,60,000
Wages paid	1,01,200
Wages outstanding on 31.3.2003	37,520
New machine purchased and sent to site	1,48,000
Direct charges paid	7,500
Direct charges outstanding on 31.3.2003	600
Establishment charges apportioned to contract	6,400

On 31.3.2003, materials lying unused at site were valued at Rs. 21,620. Machines are to be depreciated at 20% p.a. Value of work certified by 31.3.2003 was Rs. 3,50,000 while the cost of work done but not yet certified as on that date was Rs. 18,000. Mr. Veerappan had received a total sum of Rs. 2,80,000 from the contractee till 31.3.2003. Prepare contract account.