

M.Com. DEGREE EXAMINATION, APRIL 2020
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. What is meant by cost unit?
2. What do you mean by tender price?
3. What is abnormal loss?
4. What is batch costing?
5. Calculate the selling price of job No. 804 :
Cost of sales : Rs.20, 000.
Profit : 20% of cost
6. Expand ABC costing. What does it mean?
7. Calculate the passenger kilometres covered by a fleet of 4 taxis run by CNN travels from Hyderabad to bhavanagiri (45 km) and back 4 trips each day with 5 passengers on an average on each vehicle, for the month of April 1992.
8. Calculate the actual output in units:
Input : 10,000 units
Normal loss : 5%
Abnormal loss : 400 units
9. Find out the net works cost : gross works cost – 25,000, opening stock of work in progress - 5,000 , closing stock of work in progress- 7,000
10. Narrate the meaning of notional rent.
11. What is cost audit ?
12. What is reconciliation statement?

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

Answer any **FIVE** questions

13. What is Target costing? Write some of the advantages of Target costing.
14. Explain the types of Cost Audit.

15. Prepare process A/c.

Materials	Rs.30,000
Labour	Rs. 10,000
Overheads	Rs. 7,000
Number of input in units	20,000
Normal loss	10%
Sales value of waste per unit	Rs. 1.50

16. Purchase of raw materials	88,000
Direct wages	70,000
Indirect wages	2,500
Works expenses	37,000
Administrative expenses	13,000
Sale of factory scraps	2,000
Selling and distribution expenses	2,84,000

Prepare Cost sheet.

17. How much profit, if any, you would allow to be considered in the following cases?

Contract cost	Rs. 5,60,000
Contract value	Rs. 10,00,000
Cash received	Rs. 5,40,000
Uncertified work	Rs. 60,000

Deduction made from bills by way of security deposit 10%.

18. Find out the value of the job No. 75.

Materials issued for the job	Rs. 6,000
Productive wages	Rs.4,600
Direct expenses	Rs.500

Provide 60% on productive wages for works on cost and 12.5% on works cost for office on cost. Profit to be realised on the selling price 15%.

19. From the following information. Calculate total running kilometres and total passenger kilometres.

Number of buses	- 5
Days operated in a month	- 25
Trips per day made by each bus	- 4
Distance of route	- 25km (one side)
Capacity of bus	- 50 passengers
Average passenger travelling	- 90% of capacity

Section C ($2 \times 15 = 30$) MarksAnswer any **TWO** questions

20. Ramsons Ltd. Produces a product which goes through three processes A,B and C before it is finished and sent to the godown for distribution. From the following details, ascertain the cost of the product at the end of each stage of production.

	Process A Rs.	Process B Rs.	Process C Rs.
Raw Material	10,000	-	-
Other direct materials	30,000	20,000	10,000
Direct wages	10,000	20,000	30,000
Overheads	10,000	8,000	20,000
Output in units	15,000	14,000	17,000
Opening stock (units from previous process)	-	6,000	5,000
Closing stock(units from previous process)	-	5,000	1,000

21. Mr. Subramanian furnishes you the following data and wants you to compute the cost per running km of vehicle A.

Particulars		Rs.
Cost of vehicle		2,50,000
Road licence per year		800
Annual supervision and Salaries		2,700
Driver's wages per hour		4
cost of fuel per litre		12
Repairs& maintenance per km		2
Tyres cost per km		1
Insurance premium p.a.		700
Garage rent per year		1,300
Kms run during the year	20	
kms run during the year	15,000	
Estimated life of vehicle in kms	1,00,000	
Average tonnage carried	6	

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

22. 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 1st July 2009	40,000
Materials on hand at close	8,000
Wages accrued due	8,000
Wages certified	4,00,000
Work completed but not certified	12,000
Cash received	3,00,000
Material transferred to other contracts	8,000
Depreciation on plant is to be provided at 10% per annum.	2,000

23. M/s. Indu industries ltd., are the manufacturers of moonlight Torches. The following data relate to manufacture of torches during the month of March 2009.

Raw materials consumed	-	Rs.20,000
Direct wages	-	Rs.12,000
Machine hours worked	-	9,500 hours
Machine hour rate	-	Rs.2
Office overheads	-	20% of works cost
Selling overheads	-	50 paise per unit
Units produced	-	20,000 units
Units sold	-	18,000 @ Rs. 5 per unit.

Prepare Cost sheet showing the cost and the profit per unit and the total profit earned.