

**M.Com. DEGREE EXAMINATION, APRIL 2020**  
**I Year II Semester**  
**Advanced Cost Accounting**

**Time : 3 Hours**

**Max.marks :75**

**Section A** (10 × 2 = 20) Marks

Answer any **TEN** questions

1. What is cost centre?
2. Write short notes on Job costing.
3. Calculate the amount of cash received. Work certified- Rs. 4,00,000. Cash received – 80% of work certified.
4. What is Escalation clause?
5. What is Operating costing?
6. What is Abnormal gain?
7. State the meaning of Notional rent.
8. Input – 2000 units, Normal Loss – 10%, Output – 1620 units. Ascertain Abnormal loss/ gain units.
9. A travels employ 5 buses which run over a route of 140 kms (one way), making one round trip per day. The buses run 360 days per year and 10% of them on average are laid out for repairs. Ascertain the total running kilometres per year.
10. Material consumed- Rs.40,000, Wages – Rs. 20,000, Factory overhead 20% of wages. Find out the cost of the job.
11. What is cost reduction?
12. Mention the meaning of work certified and work uncertified.

**Section B** (5 × 5 = 25) Marks

Answer any **FIVE** questions

13. Explain the types of cost audit.
14. Distinguish between job costing and contract costing.
15. A product passes through two processes. The following details relate to process 'A'. You are required to ascertain the process cost to be transferred to process 'B'. Direct materials (100 units)-12,000, Direct wages-8,000, Direct expenses-5,000, Overheads-11,000. Input 1000 units; output 1000 units as there was no loss of units.

16. How much of profit if any, would you allow to be considered in the following:  
Contract cost Rs. 2,80,000 (up to date), Contract value Rs.5,00,000, Cash received Rs. 2,70,000, Uncertified work Rs.30000, Deduction from bills by way of security- 10%.
17. Prepare a reconciliation statement from the following details:

	Rs.
Net loss as per cost accounts	3,44,800
Net loss as per financial accounts	4,32,890
Works overhead under recovered in costing	6,240
Depreciation overcharged in costing	2,600
Interest on investment	17,500
Administration overhead over recovered in costing	2,600
Goodwill written off	92,000
Stores adjustment in financial books (cr)	950
Depreciation of stock charged in financial books	13,500

18. The following data is available in respect of Job No.876:  
Direct materials Rs. 17,000; Wages 160 hours at Rs.50 per hour. Variable overheads incurred for all jobs Rs.80,000 for 2000 Labour hours. Fixed overheads are absorbed at Rs.20 per hour: Find the profit or loss from the job if the job is billed for Rs. 40,000.
19. Seema and Co. , undertook a contract for construction for a private house. Contract price was Rs. 40,00,000. The following were the details:

	Rs.	Rs.
Materials sent to contract site		16,00,000
Labour: Skilled	6,00,000	
Unskilled	4,00,000	10,00,000
Subcontracts for Plumbing and Electricity		4,00,000
Sundry expenses		2,00,000
Closing stock of materials at site		1,00,000

Prepare contract account and determine the profit or loss.

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

Answer any **TWO** questions

20. A product passes through three process 'X' 'Y' and 'Z' to its completion. During September 2006, 5,000 units of finished product were produced and the following expenses were incurred:

	Process X Rs.	Process Y Rs.	Process Z Rs.
Material	5,000	10,000	5,000
Direct wages	25,000	20,000	15,000
Direct expenses	2,500	3,000	5,000

Indirect expenses amount Rs. 30,000 which are to be apportioned to the processes on the basis of direct wages. Raw materials worth Rs. 30,000 were issued to process 'X'. Ignore the question of process stocks and prepare the process accounts, showing cost per unit in each process.

21. The following is the information relating to Contract No. 123

Contract Price - Rs. 6,00,000, Wages - 1,64,000, General expenses-8,600, Raw materials - 1,20,000, Plant - 20,000. As on date, cash received was Rs. 2,40,000, being 80% of work certified. The value of materials remaining at site was Rs.10,000. Depreciate plant by 10%. Prepare contract account showing profit to be credited to P and L A/c.

22. The accounts of a machine manufacturing company disclose the following information for the six months ending 31st December 2008

Material used	Rs. 1,50,000
Direct wages	Rs. 1,20,000
Factory overhead expenses	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 the selling price.

23. Compute cost per running kilometre from the following data of a truck. Estimated life of vehicle 1,00,000 kms. Annual running 15,000 kms.

	Rs.P.
Cost of vehicle	25,000.00
Road licence (Annual)	750.00
Insurance (Annual)	700.00
Garage rent (Annual)	900.00
Supervision & salaries (Annual)	2,700.00
Drivers' wages per hour	3.00
Cost of fuel per litre	3.00
Repairs and maintenance per k.m	1.75
Tyre allocation per k.m	0.90

Charge interest at 5% per annum on cost of vehicle. The vehicle runs 20kms per hour on an average and one litre of fuel gives 20 km.