

**B.Com(A&F) DEGREE EXAMINATION, APRIL 2020**  
**III Year VI Semester**  
**Advanced Cost Accounting**

**Time : 3 Hours**

**Max.marks :75**

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

Answer any **TEN** questions

1. What do you mean by "Production Account"?
2. What is "Retention Money"?
3. What are the "Running Charges"?
4. What is "Abnormal Gain"?
5. Define 'Marginal Cost'.
6. Calculate the Economic Batch Quantity for a product using Batch Costing when the Annual Demand for the product is 2,000 Units, Set-up cost per batch is Rs. 10 and the Cost of Carrying Inventory per unit is Re. 1.
7. Find out the Abnormal Gain Units where the Input is 5,000 units, Normal Loss is 20% and Output is 4,300 units.
8. A transport company operates 4 buses on a 100 kms. long route. Each bus makes three round trips per day on all 30 days in a month. On an average 20% of the vehicles are in garage for repairs and maintenance. Ascertain the total distance covered by the buses in one month period.
9. Find out variable cost while Sales is Rs. 4,00,000 and P/V Ratio is 25%.
10. Find the value of Work certified when the cash received is Rs. 9,00,000, being 90% of work certified.
11. Find Quotation for Job A where the Cost of Sales is Rs.1,50,000 & Profit is 20% of Sale.
12. Find the amount of Contribution when Profit is Rs.3,00,000 & Fixed-Cost is Rs.4,00,000.

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

Answer any **FIVE** questions

13. Buealah Products Ltd. produces Tin sheets for industrial use, all of standards size and shape. For the quarter ended 30th Sept. 2018 the following figures are available:

Stock of materials on 1.7.2018	55,000
Stock of materials on 30. 9.2018	35,000
Factory wages	8,30,000
Materials purchased	6,15,000
Sales	18,00,000
Indirect expenses	1,30,000
Finished Stock on 1.7.2018	Nil
Finished Stock on 30.9.2018	200 units

Number of Tin sheets manufactured during the quarter was 2,000.

Prepare a statement showing cost per sheet, total cost and profit for the period.

14. The following were the expenses on a contract which commenced on 1st January 2018:

Materials purchased	10,000
Materials at the end	1250
Direct wages	15000
Plant issued	5000
Direct expenses	8000

The contract price was Rs.1,50,000. It was duly received when the contract was completed on 30th September 2018. Charge indirect expenses at 15% on wages and provide Rs. 1,000 for depreciation on plant. Prepare the Contract Account and Contractee's Account.

15. From the following information of Pilani Bros. Ltd., you are required to find out -

- P/V Ratio, b) Break Even Point,
- Volume of Sales to earn profit of Rs. 6,000

	Rs.
Total fixed costs	4,500
Total variable costs	7,500
Total sales	15,000

16. Prepare a Process Account from the following information -  
Material issued to Process 1000 kgs at Rs. 200 each. Wages Rs. 1,40,000 and overhead Rs. 20,000. Normal loss 10% of input. Actual output 800 kgs.
17. Tadapade Travels is running a fleet of six buses between two towns 75 kms apart. Seating capacity of each bus is 40 passengers. The following particulars are available for the month of June.

	(in Rs.)
1. Wages of drivers and conductors	7,200
2. Salaries of office staff	3,000
3. Taxation and Insurance	4,800
4. Interest	6,000
5. Diesel and oil	20,640
6. Repairs and maintenance	2,400
7. Depreciation	7,800
Total	51,840

18. Define Batch costing. How Cost per unit is ascertained herein?  
 19. Explain the importance of marginal costing in decision making.

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

Answer any **TWO** questions

20. A product passes through two distinct processes A and B and then to finished stock. From the following information prepare Process Accounts.

	Process A	Process B
Materials consumed (Rs.)	12,000	6,000
Direct labour (Rs.)	14,000	8,000
Manufacturing expenses (Rs.)	4,000	4,000
Input in Process A (units)	10,000	-
Input in Process A (value) (Rs.)	10,000	-
Output in units	9,400	8,300
Normal loss	5%	10%
Value of normal loss (per 100) units	Rs.8	Rs.10

21. Assuming that the cost structure and selling prices remain the same in period I and II, find out:

i) Profit Volume Ratio, ii) Fixed Cost, iii) Break even point for sales, iv) Profit when sales are Rs. 1,00,000, v) Margin of safety for the I period, vi) Variable cost in the II period

Period	Sales	Profit
I	1,20,000	9,000
II	1,40,000	13,000

22. M/s Arun and Varun undertook a contract for Rs. 2,50,000 for constructing a college building. The following is the information concerning the contract during the year 2007.

	Rs.
Materials sent to site	85,349
Labour engaged on site	74,375
Plant installed at site at cost	15,000
Direct Expenditure	3,167
Establishment charges	4,126
Materials returned to stores	549
Work certified	1,95,000
Value of plant as on 31.12.2007	11,000
Cost of work not yet certified	4,500
Materials at site 31-12-2007	1883
Wages Accrued 31-12-2007	2400
Direct Expenditure accrued 31-12-2007	240
Cash received from contractee	1,80,000

Prepare contract account, contractee's account and show how the work-in-progress will appear in the Balance Sheet as on 31-12-2007?

23. From the following data, prepare an operation cost statement showing the cost of electricity generated per Kwh.

Total units generated	10,00,000 kwh
Operating wages	Rs. 50,000
Repairs and maintenance	Rs. 50,000
Lubricants, Stores and spares	Rs. 40,000
Plant supervision	Rs. 30,000
Administration overheads	Rs. 20,000

Coal consumed per kwh. For the year is 2.5kg @ Re. 0.02 per kg. charges depreciation at 10% on capital cost of Rs. 2,00,000.