

B.Com. Degree Examinations - Even Semester 2021

III Year VI Semester

Advanced Cost Accounting

Max Marks: 25

Answer any Five questions (5 * 5 = 25)

1. The estimated material cost of job is Rs.10,000 and direct labour cost is likely to be Rs.2,000. In machine shop, it will require machining by Machine No.1 for 25 hours and Machine No.2 for 9 hours. Machine hour rates for Machine No.1 and Machine No.2 are respectively Rs.16 and Rs.20 considering only Machine Shop cost. The direct wages in all other shops last year amounted to Rs.1,60,000 as against Rs.96,000 factory overheads. Last year, factory cost of all jobs amounted to Rs.5,00,000 as against Rs.75,000 office expenses. Prepare a quotation which guarantees 20% profit on selling price.
2. From the following particulars prepare production account showing all details of cost and their breakup, and calculate gross profit and net profit:

Details	1.1.2020 Rs.	30.9.2020 Rs.
Stock of raw materials	75,000	91,500
Stock of work-in-progress	28,000	25,000
Stock of finished goods	54,000	31,000
Direct expenses		1,500
Raw materials purchased		66,000
Direct wages		52,500
Indirect wages		2,750
Factory expenses		25,000
Sales		7,000
Office expenses		13,750
Selling expenses		

3. Town Bus Service Ltd., run the following fleet of buses within the limits of Tiruchi:

Type	Buses	Carrying Capacity
Ordinary	10	50 Passengers
Deluxe	15	40 Passengers

On an average each bus makes 10 trips a day covering 8 kms in each trip and 90% of the seats are occupied. The annual records show that 5 buses are generally required to be kept away from the road each day for repairs. Calculate effective passenger kms., for the month of April 2021.

4. From the following data, prepare an operating cost statement showing the cost of electricity generated per kwh.:

Total units generated	10,00,000 kmh.
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 2.5 kg @ Re.0.02 per kg.

Charge depreciation at 10% on Capital cost of Rs.2,00,000.

5. Briefly explain normal loss, abnormal loss, and abnormal gain. State how they should be dealt with in process cost accounts. Give examples.
6. A liquid medicine passes through three processes. During the month of January 2021, 600 gross bottles were produced. From the following details, prepare process accounts:

Details	Process X Rs.	Process Y Rs.	Process Z Rs.
Materials	4,000	2,000	1,500
Labour	3,000	2,500	2,300
Direct expenses	600	200	500
Cost of bottles	-	2,030	-
Cost of corks	-	-	325

Indirect expenses were Rs.1,600. In process Y, the by-products were sold for Rs.240. In process Z, the residue was sold for Rs.125.50.

7. Deliberate on the limitations of process costing.