

B.Com.(A&F) DEGREE EXAMINATION, EVEN SEMESTER 2021
III Year VI Semester
Advanced Cost Accounting

Max.marks :25

Answer any **FIVE** questions ($5 \times 5 = 25$) Marks

1. Define cost accounting and Briefly explain the advantages of cost accounting.
2. The following was the expenditure on a contract for ₹6,00,000 commenced in February 2002. Materials ₹1,20,000; wages ₹1,64,400; plant ₹20,000, business charges ₹8,600. Cash received on account to 31st December, 2002 amounted to ₹2,40,000 being 80 per cent of work certified; the value of materials in hand at 31-12-2002 was ₹10,000 prepare the contract account for 2002 showing the profit to be credited to the years profit and loss account. Plant is to be depreciated at 10%
3. The following information is extracted from the Job ledger of Chennai enterprises in respect of job number 444
 Materials ₹6,800
 Wages 100 Hours @ ₹5
 Variable overheads incurred for all jobs ₹10,000 for 5,000 labour hours.
 Find the profit if the job is billed for ₹9,000
4. Product X obtained after it passes through distinct processes. You are required to prepare process accounts from the following information

	Total		Process	
	(₹)	A(₹)	B(₹)	C(₹)
Material	15,084	5,200	3,960	5,924
Direct Wages	18,000	4,000	6000	8,000
Production overheads	18,000			

1,000 units @ ₹6 per unit were introduced to process A. Production overhead is distributed as 100% on direct wages.

	Actual output (units)	Normal loss	Value of scrap per unit (₹)
Process A	950	5%	4
Process B	840	10%	8
Process C	750	15%	10

5. Explain the different methods of costing.
6. From the following data, you are required to calculate:
 - (a) P/V ratio
 - (b) Break-even sales with the help of P/V ratio

(c) Sales required to earn a profit of Rs. 4,50,000

Fixed Expenses = Rs. 90,000

Variable Cost per unit:

Direct Material = Rs. 5

Direct Labour = Rs. 2

Direct Overheads = 100% of Direct Labour

Selling Price per unit = Rs. 12.

7. Differences between Break even point and Margin of safety.