

**SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN
(AUTONOMOUS)**

**(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)
Chromepet, Chennai — 600 044.**

B.Com. END SEMESTER EXAMINATION APRIL/NOV - 2021

SEMESTER - VI

13UCOCT6019 & UCO/CT/6019 - Advanced Cost Accounting

| | |
|-------------------------------|-------------------------|
| Total Duration : 3 Hrs | Total Marks : 75 |
| MCQ : 30 Mins | MCQ : 15 |
| Descriptive : 2 Hrs.30 Mins | Descriptive : 60 |

Section B

Answer any **SIX** questions ($6 \times 5 = 30$ Marks)

1. List the objectives of job costing.
2. Write the advantages and disadvantages of cost plus contracts.
3. Calculate the direct labour cost in each of the following alternative cases.
 - a. Direct material cost Rs.45,000, direct labour 331/3% of the material cost.
 - b. Direct material cost Rs.1,80,000, direct labour 25% of the direct material cost.
 - c. Prime cost Rs. 72,000, direct material cost Rs.45,000 , direct expenses Rs. 12,000.
 - d. Direct labour hours required per unit.

Department I @ Rs.5.00 per hour 2 hours

Department II @ Rs.2.00 per hour 6 hours

Department III @ Rs.1.50per hour 2 hours

No. of units produced 6,900 units

4. Find the cost of goods sold from the following information.

| | |
|---|--|
| Cost of production Rs.3,60,000 | Opening stock of raw materials Rs.60,000 |
| Closing stock of finished goods Rs.30,000 | Opening work in progress Rs.20,000 |
| Closing work in progress Rs.38,000 | |
5. From the following information calculate total kilometers and passenger kilometers.

| | |
|-----------------------|--|
| Number of buses : 5 | No. of days operated in a month :25 |
| Trip made by each : 4 | Distance of route (one side) : 25 kms |
| Capacity of bus :50 | passengers Normal passengers travelling :90% |

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6. Bajaj Ltd. produces a product through two processes namely Process I and Process II. Prepare the process accounts from the following details.

| Particulars | Process I (Rs.) | Process II (Rs.) |
|---------------------|-----------------|------------------|
| Materials | 80,000 | 50,000 |
| Labour | 1,10,000 | 90,000 |
| Chargeable expenses | 15,000 | 25,000 |

The overheads amounting to Rs.30,000 are to be apportioned on the basis of labour.

7. A coke manufacturing company produces the following products by using 10,000 tons of coal @ Rs.30 per ton into a common process

Coke 7,000 tons Tar 2,400 tons Sulphate of ammonia 104 tons Benzol 96 tons

Apportion the joint cost amongst the products on the basis of the physical unit method.

8. From the following data, calculate the cost per mile of a vehicle

| | | | |
|---------------------------|-------------|--------------------------|----------------|
| Value of the vehicle | Rs.1,00,000 | Garage rent per year | Rs.1,200 |
| Insurance charges p.a. | Rs.400 | Road Tax p.a. | Rs.500 |
| Driver's wages p.m. | Rs.600 | Cost of petrol per litre | Rs.6.40 |
| Tyre Maintenance | Rs.0.80 | Estimated life | 1,50,000 miles |
| Miles per litre of petrol | 8 | Estimated annual mileage | 6,000 |

Section C

Answer any **THREE** questions ($3 \times 10 = 30$ Marks)

9. Differentiate between job costing and contract costing.
10. Murugan Products Ltd. produced 10,000 units during 2009 of the only product they manufactured and request you to prepare their production account for the year showing clearly cost per unit and total cost

| | | | |
|--|-------------|----------------------|-----------|
| Stock of materials as on 01.01.2009 | Rs. 40,000 | | |
| Stock of materials as on 31.12.2009 | Rs.70,000 | | |
| Stock of Work in progress as on 01.01.2009 | Rs.30,000 | | |
| Stock of Work in progress as on 31.12.2009 | Rs.20,000 | | |
| Materials purchased | Rs.2,30,000 | Materials scrap sold | Rs.10,000 |
| Wages paid | Rs.1,60,000 | Production Expenses | Rs.40,000 |

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11. A product is obtained through three processes. From the following information, prepare process account.

| Particulars | Process I | Process II | Process III |
|-------------------------------|-----------|------------|-------------|
| Raw materials (Rs) | 2,600 | 1,980 | 2,962 |
| Direct Wages (Rs) | 2,000 | 3,000 | 4,000 |
| Normal loss in% | 5% | 10% | 15% |
| Scrap value (per unit in Rs.) | 2 | 4 | 5 |
| Production | 950 units | 840 units | 750 units |

General expenses are Rs.9,000 which is absorbed on the basis of wages. 1,000 units were introduced at Rs.3 each in Process I.

12. From the following particulars calculate the amount of profit under:

- Other Income method
- When sales value of by-product is credited to total cost

Total production cost Rs.75,000

Quantity produced 25,000 units

Sale of main product 23,000 units @ Rs.4 each

Closing stock of main product 2,000 units @ Rs.3

By-product revenue received Rs.5,450

Selling and distribution expenses of main product Rs.6,500

Selling and distribution expenses of by- product Rs.700

Additional process cost of packing by-product Rs.150

13. Mr. S is the owner of fleet of taxis and the following information are available from the records

| | | | |
|-------------------|--------------------|----------------------|------------------------|
| Number of taxis | 10 | Cost of each taxi | Rs.2,00,000 |
| Salary of manager | Rs. 6,000 p.m. | Salary of accountant | Rs.5,000 p.m. |
| Salary of cleaner | Rs.2,000 p.m. | Salary of mechanic | Rs.4,000 p.m. |
| Garage Rent | Rs.6,000 p.m. | Insurance Premium | 5% per annum |
| Annual tax | Rs.6,000 per taxi | Drivers' salary | Rs.2,000 p.m. per taxi |
| Annual repair | Rs.10,000 per taxi | | |

Total life of a taxi is 2,00,000 km. A taxi runs in all 3,000 km. in a month of which 30% it turns empty. Petrol consumption is one litre for 10 km @ Rs.30 per litre. Oil and other expenses are Rs.50 per 100 km. Calculate the cost of running a taxi per km.