

**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.
M.Com. END SEMESTER EXAMINATIONS APRIL - 2022
SEMESTER - II
20PCOCT2005 - Advanced Cost Accounting**

Total Duration : 3 Hrs.

Total Marks : 60

Section A

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

1. Explain cost and profit centres.
2. The Profit as per cost Accounts is Rs.1,65,300. The following points are found out on comparison of Cost Accounts and Financial Accounts:

Particulars	Cost Accounts (Rs.)	Financial Accounts (Rs.)
Opening Stock of Materials	32,600	33,000
Opening Stock of Work-in-Progress	20,000	21,000
Closing Stock of Materials	36,000	34,400
Closing Stock of Work-in-Progress	16,000	15,200

Particulars	Rs.	Particulars	Rs.
Interest and Dividend received	800	Actual Overheads incurred	1,21,200
Interest charged only in Costing	6,000	Overheads Recovered	1,26,000
Goodwill written off	12,000	Loss on sale of Motor Car	1,000

You are required to find out the Profit as per Financial Accounts.

3. A joint process results in the production of three products A, B and C at a total joint cost of Rs.26,250. The subsequent costs of these products were Rs.8,000, Rs.10,000 and Rs.12,000 respectively.

They were sold as follows with estimated profit on sales.

Product A: Rs.20,000; profit 20%

Product B: Rs.28,000; profit 25%

Product C: Rs.40,000; profit 30%

Show the apportionment of joint costs on the basis of net realizable value.

4. A transport company is running 4 buses between two towns which are 50 Kilometers apart. Seating capacity of each bus is 40 passengers. Actual passengers carried were 75% of seating capacity, on an average. All the buses run 30 days in a month. Each bus made one round trip per day.
 - Standing charges per month Rs.1,00,000.
 - Maintenance Charges per month Rs.50,000.
 - Running charges per month Rs.30,000.

Find out the total passenger-kilometers per month and Cost per passenger-kilometer.

Contd...

5. Write a note on (a) ABC Costing (b) Job Costing.
6. 10000 units of raw materials are introduced into a process at a cost of Rs.20,000. Wages and overheads for the process are Rs.5,100 and Rs.3,400 respectively. 7,500 units were completed; of the remaining 2,500 units on the average 40% work has been done in respect of labour and overheads. Prepare
 - (a) Statement of equivalent production.
 - (b) Statement of cost.
 - (c) Statement of evaluation.
 - (d) Process account.
7. Explain the different methods of computing profit on an incomplete contract.
8. Briefly explain the meaning and objectives of cost audit.

Section B

Part A

Answer any **TWO** questions ($2 \times 10 = 20$ Marks)

9. What are the essentials of a good costing system?
10. The following information relates to Dhoni Construction Company:

Particulars	Rs.
Materials issued from stores	3,00,000
Wages paid	4,40,000
General charges	16,000
Plant installed at site on 1 st July 2021	60,000
Materials on site on 31 st December 2021	16,000
Wages accrued due	16,000
Work certified	8,00,000
Work completed but not certified	24,000
Cash received	6,00,000
Materials transferred to other contracts	16,000
Materials received from other contracts	4,000

Depreciation on plant is to be provided at 10% per annum.

The contract was for Rs.16,00,000.

Prepare the Contract account for 2021. Also show the amount of profit to be transferred to the profit and loss account of 2021.

11. A product passes through two processes and then to finished stock. The normal wastage of each process is as follows:
 Process A - 3% and Process B – 5%
 The wastage of process A was sold @Rs.5 per unit and that of process B at Rs.10 per unit. 40,000 units were introduced into process A at the beginning of January 2021 at a cost at Rs.40 per unit.

Contd...

Other expenses were as under:

	Process A	Process B
	(Rs.)	(Rs.)
Sundry Materials	80,000	1,20,000
Wages	4,00,000	6,40,000
Manufacturing expenses	60,000	57,000

The output of Process A was 38,000 units and that of Process B 36,400 units.
Prepare Process 'A' Account and Process 'B' Account.

12. Discuss the terms Waste, Scrap, and Spoilage and their treatment in cost accounts.

Part B

Compulsory question (1 × 10 = 10 Marks)

13. The following details are available from a company's books.

Stock of materials 1-1-90	12,800
Stock of finished goods 1-1-90	28,000
Purchases during the year	2,92,000
Production wages	1,98,800
Sales of finished goods	5,92,000
Stock of raw materials 31-12-90	13,600
Stock of finished goods 31-12-90	30,000
Works over head	43,736
Office and general expenses	35,547

The company is about to send a tender for a large plant. The costing department estimates that materials required would cost Rs.20,000 and wages for making the plant would cost Rs.12,000. Tender is to be made keeping net profit of 20% or selling price. State what would be the amount of the tender, if based on the usual percentages?
