

**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.(Hons) - END SEMESTER EXAMINATIONS APRIL - 2022**

**SEMESTER - IV**

**20UBHCT4020 - Cost Accounting II**

**Total Duration : 3 Hrs.**

**Total Marks : 60**

**Section A**

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

1. Define job costing and state the features of job costing.
2. What is process costing? Compare process costing with job costing.  
(Any 5 points)
3. Prepare a job cost sheet: Materials Rs.2000, Labour 50 hours @ Rs.10 per hour, Works overhead 100% of wages, Office overhead 60% of works cost, Profit 20% on sales.
4. P & Co. Agreed to supply 6,000 units per year to K & Co. on a regular basis. The inventory holding cost amounts to Rs. 0.40 per unit per month and the setting up cost per batch run of the units is Rs.576. You are required to ascertain:  
i. Economic Batch Quantity (EBQ) and ii. Interval between two batch runs.
5. The financial accounts of a company show a profit Rs.7,70,000 for the year ending 31<sup>st</sup> Dec 2009. On further examination of cost and financial accounts the following facts were discovered.

Particulars	Rs.
Works on cost under - recovered in cost	16,240
Office on cost over – recovered in cost	4,000
Interest on investments not included in cost	16,000

Prepare a statement showing profit as per cost accounts.

6. Calculate the cost per mile of a vehicle:

Particulars	Rs.
Value of vehicle	1,00,000
Garage rent per year	1,200
Insurance charges p.a.	400
Road tax p.a.	500
Drivers wages per month	600
Cost of petrol per litre	6.40
Tyre maintenance per mile	0.80

Estimated life 1,50,000 miles. Miles per litre of petrol 8; Estimated annual mileage 6,000.

**Contd...**

7. From the following information, prepare process account.

Particulars	Rs.
Materials consumed	12,000
Direct labour	14,000
Manufacturing expenses	4,000
Input units (10,000 Units)	10,000
Output (9,400 units)	

The value of normal wastage is Rs.8 per 100 units.

8. Aby Industries produces three products X, Y and Z from a joint process. The joint processing cost before separation amounted to Rs.1,25,000. The output of X, Y and Z was 5,000 units, 6,000 units and 1,500 units respectively. Apportion the joint cost among the products on the basis of average unit cost method.

## Section B

### Part A

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

9. ABC construction Ltd. have obtained a contract for construction of a Bridge. The value of the contract is Rs.12 lakhs and the work commenced on 1<sup>st</sup> Jan. 2020. The following details are shown in their books for the year ended 31<sup>st</sup> Dec. 2020.

Plant purchased Rs.60,000; Materials issued to site Rs.3,36,000; wages paid Rs.3,40,000 ; Direct expenses Rs.8,000; general overheads apportioned Rs.32,000; Wages accrued due on 31.12.2020 Rs.2,800; Materials at site as on 31.12.2020 Rs.4000; Direct expenses accrued as on 31.12.2020; Rs.1,200; work not yet certified at cost Rs.14,000; Cash received being 80% of work certified Rs.6,00,000; Life of plant purchased is 5 years and scrap value is nil.

Prepare contract account for the year ended 31.12.2020 and show the amount of profit which you consider might be taken on the contract and show how you calculated the same.

10. A product passes through three process I, II and III. Prepare the process accounts assuming that there were no operating or closing stocks.

	Process I	Process II	Process III
Materials	1,000	1,500	500
Labour	5,000	8,000	6,500
Overheads	1,050	1,188	2,009
Actual output (units)	9,500	9,100	8,100
Normal loss	3%	5%	8%

Contd...

**SEMESTER - IV**  
**20UBHCT4020 - Cost Accounting II**

The wastage of process I was sold at 25 paise per unit, that of process II at 50 paise per unit and that of process III at Rs.1 per unit. Raw materials of 10,000 units were introduced into process I in the beginning at a cost of Rs.1 per unit.

11. From the following data relating to vehicle 'A', you are required to compute the cost per running tonne km.

Vehicle A:      Kilo metres run (annual)      Rs.15,000  
                         Tonnes per km (average)      6

Particulars	Rs.
Cost of vehicle	2,50,000
Road license (annual)	800
Insurance (annual)	700
Garage rent (annual)	1,300
Supervision and Salaries p.a	2,700
Driver's wages per hour	4
Cost of fuel per litre	6
Kms run per litre	20
Tyre allocation per km	1
Repairs and Maintenance per Km	2
Estimated life of vehicle	1,00,000 kms.

Charge interest at 5% per annum on cost of vehicle.

The vehicle runs 20 kms. per hour on an average.

12. The contract ledger of a company showed the following expenditure on account of contract number 246 at 31<sup>st</sup> March 2021.

Particulars	Rs.
Materials	1,88,000
Plant	24,000
Wages	2,06,000
Establishment Charges	13,400

The contract commenced on 1<sup>st</sup> April 2020 and the contract price is Rs.8,00,000. The value of work certified is Rs.4,30,000 of which 80% has been received in cash to date. The value of material on hand is Rs.9,000 and the work uncertified is Rs.8,000. Assuming depreciation on plant at 10% per annum.

prepare the contract account showing the profit the firm would be justified in taking to the credit of profit and loss account of the year.

**Contd...**

## Part B

Compulsory question ( $1 \times 10 = 10$  Marks)

13. The following are details in respect of process A and process B of a processing factory.

	<b>Process A</b>	<b>Process B</b>
	(Rs.)	(Rs.)
Materials	10,000	-
Labour	10,000	14,000
Overheads	4,000	10,000

The output of process A is transferred to process B at a price calculated to give a profit of 20% on the transfer price and the output of process B is charged to finished stock at a profit of 25% on the transfer price. Finished goods from process B were sold for Rs.1,00,000 from the finished stock.

Prepare process accounts and ascertain total profit assuming there was no opening or closing work-in-progress.

\*\*\*\*\*