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 EXAMINATIONS APRIL-2023
SEMESTER - VI
20UCOCT6018 - Advanced Cost Accounting

Total Duration : 2 Hrs. 30 Mins. Total Marks : 60

Section B

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

1. Modern Printers undertook two jobs during the 1^{st} week of June 2007. The following details are available

Particulars	**Job 110 (Rs.)**	**Job 120 (Rs.)**
Material supplied	4,000	2,000
Wages paid	900	600
Direct expenses	200	100
Material transfer from Job 120 to 110	200	200
Material returned to stores	-	100

Compute the cost of each job and profit or loss if any, assuming that job 120 is completed and invoiced to the customer at Rs.3,000.

2. Find out the selling price:

Prime cost per unit	Rs.720
Works overhead	20% of works cost
Office overhead	10% of cost of production
Selling overhead	20% on sales

3. Explain the characteristic features of contracts and contract costing.

4. The following are the expenses of Balaji & Co., in respect of a contract which commenced on 1^{st} January 2021:

Particulars	**Rs.**
Materials purchased	50,000
Materials on hand	2,500
Direct wages	75,000
Plant issued	25,000
Direct expenses	40,000

Contd...

The contract price was Rs.7,50,000 and the same was duly received when the contract was completed in August 2021. Charge indirect expenses at 15% on wages; provide Rs.5,000 for depreciation on plant and prepare the Contract Account and Contractee's Account.

5. Explain the advantages and disadvantages of process costing.

6. Pallavan Transport Corporation runs the following fleet of buses within Chennai city.

	Capacity
50 Buses	50 Passenger
80 Buses	40 Passenger

On an average each bus makes 8 trips a day covering a distance of 10 kms. In each trip and the average seat occupancy is 80%. On average 10% of the buses are kept away from roads for maintenance and repairs. Compute the effective passenger k.m.s. for the month of April 2009.

7. Samson & Co., produces a product through two processes 'R' and 'S'. The following details pertaining to process 'R' for January 2021 are available.

Inputs:	**Rs.**
Material (500 units)	10,000
Labour	8,000
Indirect expenses	7,000

Normal loss in the process is estimated at 5% of the input which possesses a scrap value of Rs.31 per unit. Prepare the process account.

8. From a common process two joint products A and B come out. Expenses after separation for A and B are Rs.5 and Rs.8 respectively per unit. Total expenses in the common process amount to Rs.1,86,760. Selling prices of A and B are Rs.25 and Rs.38 respectively per unit. Outputs of A and B are 5,000 and 4,000 units respectively. Ascertain the cost of A and B after completion if profit on sales is 12%.

Section C

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

9. Sahara Products Ltd., manufactures a standard product. During the year ending 31^{st} March 2010, the following production details are available: Output: 40,000 units; Opening stock of finished units at Rs.50 each 5,000 units; Closing stock of finished 10,000 units at current cost. Sales were at Rs.100 per unit.

The inventories of materials and work-in-progress were:

Particulars	**Rs.**	**Particulars**	**Rs.**
Opening Materials	2,00,000	Material - Closing	1,50,000
Opening Work-in-progress	3,00,000	Work-in-progress - Closing	2,50,000
The other expenses were:			
Productive wages	10,00,000		
Materials purchased	15,00,000		
Works expenses	4,00,000		
Depreciation (factory)	1,00,000		

Prepare a manufacturing and trading account for the year ending 31.03.2010. Showing the cost of manufacturing and gross profit for the period.

10. Deluxe Limited undertook a contract for Rs.5,00,000 on 1^{st} July 2004. On 30^{th} June 2005, when the accounts were closed, the following details about the contract were gathered.

Particulars	**Rs.**
Materials purchased	1,00,000
Wages paid	45,000
General expenses	10,000
Plant purchased	50,000
Materials on hand 30.06.2005	25,000
Wages accrued 30.06.2005	5,000
Work certified	2,00,000
Cash received	1,50,000
Work uncertified	15,000
Depreciation of plant	5,000

The above contract contained an escalation clause which reads as follows:

"In the event of price of materials and rates of wages increasing by more than 5% the contract price will be increased accordingly by 25% of the rise in the cost of materials and wages beyond 5% in each case".

It was found that since the date of signing the agreement the price of materials and wage rates increased by 25%. The value of the work certified does not take into account the effect of the above clause. Prepare the contract account.

Contd...

11. From the following data relating to two vehicles X and Y ascertain the cost per running km.

Particulars	**X** (Rs.)	**Y** (Rs.)
Cost of vehicle	25,000	15,000
Road license (annual)	750	750
Insurance (annual)	700	400
Garage rent (annual)	600	500
Supervision and salaries (annual)	1,200	1,200
Driver wages per hour	3	3
Cost of petrol per litre	3	3
Repairs and maintenance per km	1.65	2.00
Tyre allocation per km	0.80	0.60
Estimated life of vehicle (kms)	1,00,000	75,000
Kilo metres run (annual)	15,000	6,000
Kilo metres run per litre	20	15

You are required to charge interest on the cost of vehicles at 5% per annum. The vehicles run 20 km per hour on an average.

12. A product passes through two processes and then to finished stock. Normal wastage of each process is as follows:

    Process A 30% 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. 20,000 units were introduced into process A at the beginning of January 2007 at a cost at Rs.40 per unit. Other expenses were as under:

Particulars	**Process A** (Rs.)	**Process B** (Rs.)
Sundry materials	40,000	60,000
Wages	2,00,000	3,20,000
Manufacturing expenses	30,000	28,500

The output of process A was 19,000 units and that of process B 18,200 units. Prepare the process account, normal loss account, abnormal loss account and abnormal gain account.

13. Compare and Distinguish between joint products and by-products in process costing.

*****