

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.(A&F) END SEMESTER EXAMINATIONS APRIL-2023

SEMESTER - VI

20UAFCT6018 - Advanced Cost Accounting

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

Section B

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

1. Predict the cost and selling price from the following:

	Rs.
Materials consumed	6,000
Wages paid	9,000
Works on cost 30% on wages	
Office on cost 20% on works cost	
Selling on cost 10% on works cost	
Profit 20% on cost	

2. The following was the expenditure on a contract for Rs.6,00,000 commenced in January 2021; Materials Rs.1,20,000; Wages Rs.1,64,400; Plant Rs.20,000; Business charges Rs.8,600. Cash received on account on 31st December 2021 amounted to Rs.2,40,000 being 80 per cent of work certified; the value of materials in hand at 31.12.2021 was Rs.10,000. Prepare the Contract Account for 2021 showing the profit to be credited to the year's profit and loss account. Plant is to be depreciated at 10%.
3. A batch of 600 units was introduced in a process at Rs.20 per unit. 500 units were completed and transferred to the finished goods stores. The normal process loss was 20% of the input, and the scrap is normally sold a contract at Rs.3 each. The labour and overhead expenditure incurred in the process amounted to Rs.600. You are required to prepare the process and abnormal gain account.
4. From the following data, Compute the cost per km of a vehicle.

Value of vehicle	Rs.15,000
Road licence fee per year	Rs.500
Insurance charge per year	Rs.100
Garage rent per year	Rs.600
Driver's wages per month	Rs.200
Cost of petrol per litre	Re.0.80
Km per litre	8
Proportionate charge for tyres and maintenance per km	Re.0.20
Estimated life	1,50,000 kms
Estimated annual kilometres	6,000
Ignore interest on capital	

5. The selling price of a product was Rs.200 per unit as against its variable cost of Rs.100 per unit. The total fixed costs were Rs.2,00,000. Show effect of a reduction in price by Rs.40, On the P/V ratio, Break Even Point and margin of safety if 4,000 units were produced and sold.
6. Predict the features of process costing.
7. Sketch out the objectives of transport costing.

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8. Fixed overhead Rs.2,40,000

Variable cost per unit Rs.15.

Selling price per unit Rs.30.

Evaluate;

i. Break even sales units

ii. If the selling price is reduced by 10% what will be the new break-even point?

Section C

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

9. A manufacturing concern requires a statement showing the results of its production operation for September 2021. Cost records give the following information;

	1 st September 2021 (Rs.)	31 st September 2021 (Rs.)
Raw materials	1,00,000	1,23,500
Finished goods	71,500	42,000
Work-in-progress	31,000	34,500

Transaction during the month of September 2021;

	Rs.
Purchase of Raw materials	88,000
Direct wages	70,000
Works expenses	39,500
Administration expenses	13,000
Sale of factory scrap	2,000
Selling and distribution expense	15,000
Sales	2,84,000

10. S.V. Construction Ltd. has obtained a contract for the construction of a Bridge. The value of the contract is 12,00,000 and the work commenced on 1st October 2020. The following details are shown in their books for the year ended 30th September 2021.

	Rs.
Plant purchased	60,000
Wages paid	3,40,000
Materials issued to site	3,36,000
Site expenses	8,000
General overhead apportioned	32,000
Wages accrued as on 30.9.2021	2,800
Materials at site as on 30.9.2021	4,000
Direct expenses accrued as on 30.9.2021	1,200
Work not yet certified at cost	14,000
Cash received being 80% of work certified	6,00,000
Life of plant purchased is 5 years and scrap value is nil.	

Prepare the contract account for the year ended 30th September 2021 and show the amount of profit which you consider might be fairly taken on the contract and how you have calculated it.

11. In a factory the product passes through two processes A and B. A loss of 5% is allowed in Process – A and 2% in Process – B, nothing being realised by disposal of wastage. During April 2021, 10,000 units of materials costing Rs.6 per unit were introduced in Process A. The other costs are;

	Process – A	Process – B
	(Rs.)	(Rs.)
Materials	-	6,140
Labour	10,000	6,000
Overheads	6,000	4,600

The output was 9,300 units from Process – A, 9,200 units were produced by Process – B, which were transferred to the warehouse. Ascertain Process Accounts.

12. Predict the application of operating costing method.
13. S.V. Ltd a multiproduct company furnishes you the following data relating to the year 2021;

	First Half of the year	Second half of the year
	(Rs.)	(Rs.)
Sales	45,000	50,000
Total Cost	40,000	43,000

Assuming that there is no change in prices and variable costs and that the fixed expenses are incurred equally in the two half year periods.

Evaluate for the year 2021

- i. The profit value Ratio
- ii. Fixed expenses
- iii. Break-even sales
- iv. Percentage of safety.
