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.(Honours) - END SEMESTER EXAMINATIONS APRIL - 2023
SEMESTER - IV
20UBHCT4020 - Cost Accounting - II

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

Section B

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

1. The profit as per financial accounts is Rs.1,64,190. Compute the amount of profit as per cost accounts from the following:

   The works overhead were under recorded in financial account by Rs.8,000.
   The office expenses were under recorded in financial account by Rs.3,000.
   Depreciation were over recorded in cost accounts by Rs.1,900.
   Dividend received amounted to Rs.990.

2. A cinema hall has three types of seating accommodation – Balcony, I Class and II Class with weightages of 3, 2 and 1 respectively on the basis of their worth. There are 300 seats in Balcony, 400 seats in I Class and 500 seats in II Class. The cinema hall runs daily 4 shows on all 30 days in a month. The average occupancy of seats is 80%. Calculate the number of man shows in a month.

3. Product A is obtained after it passes through three different processes, 2,000 kgs of material at Rs.5 per kg were issued to Process A. Direct wages amounted to Rs.900 and production overhead was Rs.500. Normal loss is estimated at 10% of input. This wastage is sold at Rs.3 per kg. The actual output is 1,850 kgs. Prepare Process A account.

4. A industry produces three products X, Y and Z of almost equal value from a common process. The total joint cost of production was Rs.54,000. The following further details are available.

Particulars	**L**	**M**	**N**
Post separation cost	20,000	15,000	25,000
Sales	60,000	80,000	72,000
Estimated profit on sales	20%	40%	25%

   Show the apportionment of joint cost of production on the basis of net realisable value.

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5. Show how you would deal with plant in a contract account with the following information:

   Plant issued to contract on 1/1/2019 costing Rs.40,000. Plant costing Rs.2,000 was transferred to another contract on 31/8/2019. Plant costing Rs.1,000 was stolen and another plant costing Rs.500 was destroyed by fire. Another plant costing Rs.2,200 was sold for Rs.2,200. Plant at the end of the year was valued by charging depreciation at 10% p.a. on 31/12/2019. Ignore depreciation on plant sold, stolen and destroyed.

6. State the objectives of Transport Costing.

7. Explain Normal Loss and Abnormal Loss in Process Costing.

8. The joint cost of making 50 units of Product A, 100 units of Product B and 150 units of Product C is Rs.900. The selling prices of products A, B and C are Rs.2, Rs.3 and Rs.4 respectively. The products did not require any further processing costs after split off point.

   You are required to apportion the joint cost – (a) on selling price basis, and (b) on sales value basis.

Section C

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

9. From the following prepare a reconciliation statement between cost and financial records:

	Rs.
Net Profit as per financial records	1,28,755
Net Profit as per costing records	1,72,400
Works overhead under recovered in costing	3,120
Administrative overhead recovered in excess	1,700
Depreciation charged in financial records	11,200
Depreciation recovered in costing	12,500
Interest received but not included in costing	8,000
Obsolescence loss charged in financial records	5,700
Income tax provided in financial books	40,300
Bank interest credited in financial books	750
Stores adjustment (credit in financial books)	475
Depreciation of stock charged in financial books	6,750

10. A by-product is derived from the manufacture of the main product XY. The by-product is further processed for sale. From the following data prepare an account showing the cost per kilogram of Product XY and Y.

Particulars	Joint Expenses	Separate Expenses	
		XY (Rs.)	Y (Rs.)
Material	20,000	12,000	1,000
Labour	14,000	10,000	4,000
Overhead	5,000	3,000	1,200

The quantities produced during the period under consideration were:
XY – 400 kgs & Y – 100 kgs. The selling price of Y is Rs.240 kgs on which the profit earned is estimated at 30% of the selling price.

11. A transport company is running 4 buses between two towns which are 50 kms apart. Seating capacity of each bus is 40 passengers. The following particulars were obtained from their books.

Wages of drivers and conductors	2,400
Salaries to office staff	1,000
Diesel and other oils	4,000
Repairs and maintenance	800
Taxes and insurance	1,600
Depreciation	2,600
Interest and other charges	2,000
Total	14,400

Actual passengers carried were 75% of the seating capacity. All the four buses run on all days of the month. Each bus made one round trip per day, compute the cost per passenger kilometer.

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

Process A – 3%; Process B – 5%

The wastage of Process A was sold at 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 the year at a cost of Rs.40 per unit.

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Other expenses were as under:

Particulars	Process A	Process B
Sundry materials	40,000	60,000
Wages	2,00,000	1,20,000
Manufacturing expenses	30,000	28,500

The output of Process A was 19,000 units and Process B was 18,200 units. Prepare Process account, Normal loss, Abnormal loss and gain account.

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

13. Mr.A undertook a contract for the construction of a house, at a contract price of Rs.22,50,000. The following are the other information's available.

Material purchased	3,60,000
Materials issued from stores	45,000
Labour	1,35,000
Plant installed at site	1,80,000
Direct expenses	90,000
Establishment charges	22,500
Materials returned to stores	22,500
Materials on hand at the end	9,000
Plant in hand at the end	1,35,000
Wages outstanding	36,000
Direct expenses outstanding	27,000
Work certified	95,400
Cash received (80% of work certified)	9,00,000

Prepare the contract account, show relevant items in the Balance Sheet.

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