

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 -2024

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. Classify the methods of costing.
2. Compute the contract account showing the profit to be credited to P&L A/c.

	Rs.
Contract price	6,00,000
wages	1,64,000
General expenses	8,600
Raw materials	1,20,000
Plant	20,000

As on date, cash received was Rs.2,40,000 being 80% of work certified. The value of materials remaining at site was Rs.10,000. Depreciate plant by 10%.

3. Raj & Co. produces a product through two processes X and Y. The following details pertaining to process X for January 2020 are available.
Inputs: Material (500 units) - Rs.10,000; Labour - Rs.8,000; Indirect expenses - Rs.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.
4. State the advantages of operating costing.
5. Determine the profitability of products A and B for a manufacturing enterprise. Production capacity in hours is the limiting factor. Total fixed overhead is Rs.10,000

	Product- A (Per unit) (Rs.)	Product-B (Per unit) (Rs.)
Selling price	200	400
Material cost(Rs.20 per kg)	40	100
Direct wages(Rs.6 per hour)	60	120
Variable overhead	20	40

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6. A radio manufacturer makes two models-3 band set and two in one. From following particulars, prepare a statement showing cost and profit per model per unit sold. There are no opening and closing stocks.

	3 Band	Two in one
Material	27,300	1,08,680
Labour	15,600	62,920

Works overhead is charged at 80% on labour and office overhead is taken at 15% on works cost. The selling price of both models is Rs.1,000. 78 Three band sets and 286 two in one models were sold.

7. Define break-even point. What are its advantages?
8. Ascertain how much profit, if any, you would allow to be considered in the following case.

	Rs.
Contract cost	11,20,000
Contact value	20,00,000
Cash received	10,80,000
Uncertified work	1,20,000

Deduction from bills by way of security deposit is 10%.

Section C

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

9. Explain the various types of costing.
10. Prepare a contract account for M/s Siva & Ram, who undertook a contract for Rs.2,50,000 to construct a school building. The following is the information concerning the contract during the year 1997.

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	Rs.
Materials sent to site	85,349
Labour charged on site	74,375
Plant installed at site at cost	15,000
Direct expenditure	3,167
Establishment charges	4,126
Materials returned to stores	549
Work certified	1,95,000
Value of plant as on 31 st Dec 1997	11,000
Cost of work not yet certified	4,500
Materials at site 31 st Dec 1997	1,883
Wages accrued 31 st Dec 1997	2,400
Direct expenditure accrued 31 st Dec 1997	240
Cash received from contractee	1,80,000

You are required to prepare

- a) Contract account
- b) Contractees account and
- c) Show how the work in progress will appear in the balance sheet as on 31st Dec 1997.

11. Prepare process "X" account and abnormal loss account.

In manufacturing a product, 1,000 kgs of raw materials at Rs.8 per kg were supplied to process "X". Other expenses of the process were as follows:

Labour cost Rs.2,000; Production expenses Rs.1,000.

Normal loss in the process has been estimated at 10% of the input and it could be sold at Rs.2 per kg. The actual output in this process was 880 kgs, which were transferred to process 'Y'.

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12. Predict the cost per passenger kilometre for Dhana travels which is a transport company running a fleet of six buses between two towns' 75 kms. apart. The seating capacity of each bus is 40 passengers. The following particulars are available for the month of September 1991.

	Rs.
Wages of drivers, conductors etc.,	3,600
Salaries of office and supervisory staff	1,500
Diesel oil etc.,	10,320
Repairs and maintenance	1,200
Taxes and insurance	2,400
Depreciation	3,900
Interest and other charges	3,000

The actual passenger carried were 80% of the capacity. All the buses run all the days in the month. Each bus made one round trip per day.

13. Ascertain the following information:
- The P/V ratio.
 - The break-even point
 - The sales required to earn a profit of Rs.40,000.
 - The profit made when sales are Rs.2,50,000.
 - The margin of safety at profit of Rs.50,000 and
 - Variable cost for two years.

The sales and profit during two years were as follows:

Year	Sales (Rs.)	Profit (Rs.)
1998	1,50,000	20,000
1999	1,70,000	25,000
