

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 - 2024

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. Explain the importance of cost accounting.
2. Koushik Ltd., under took a contract, the contract price being Rs.1,00,000. The contract commenced on 1<sup>st</sup> January 2005. During the year work certified was valued at Rs.50,000 of which 75% was received. Work uncertified amounted to Rs.10,000. The following expenses were incurred:  
Materials – Rs.30,000; Labour – Rs.20,000; Plant Rs.10,000; Direct expenses – Rs.8,000; Indirect expenses – Rs.5,000. At the end of the year wages accrued were Rs.2,000; Materials in hand Rs.1,000 and plant in hand Rs.1,500. Prepare Contract Account.
3. Elaborate the advantages of job costing.
4. Describe the features of process costing.
5. 500 units of product A were produced and sold at Rs.40 per unit during March 2020. In the same process 400 units of by-product B were also produced. Rs.200 was spent for further processing and Rs.150 was the selling cost before the entire output of 'B' was sold off at Rs.1,350. The process cost amounted to Rs.17,000. Ascertain the profit of main product 'A'.
6. Calculate profit that can be reasonably credited to P & L A/c from the following details:

	Rs.
Notional profit	79,000
Cash received	3,30,000
Work certified	4,00,000
Contract price	6,00,000

7. Distinguish between Job costing and Contract costing.

**Contd...**

8. Compute the cost of output and abnormal Loss/Gain.

Cost of the process	Rs.1,50,000
Input in units	10,000
Normal loss	5%
Scrap value of normal loss per unit	Rs.5.50
Output	9,600 units

### Section C

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

9. Explain the fundamental principles of cost accounting.
10. The following information relates to contract No.123. You are required to prepare the contract account and contractee's account assuming that the amount due from the contract was fully received.

	Rs.	Rs.
Direct material		20,250
Direct wages		15,500
Stores issued		10,500
Loose tools		2,400
Tractor expenses:		
Running material	2,300	
Wages of drivers	3,000	5,300
Other direct expenses		2,650

The contract price was Rs.90,000 and the contract took 13 weeks in its completion. The value of loose tools and stores returned at the end of the period were Rs.200 and Rs.3,000 respectively. A plant was also used and returned at a value of Rs.16,000 after charging depreciation at 20%. The value of tractor was Rs.20,000 and depreciation was to be charged at 15% per annum. The administration and office expenses are to be provided at 10% on works cost.

11. The following data are from the costing records of Aditya Ltd., in respect of Job No.76:

Materials consumed Rs.6,000

Wages:

Cutting Department 20 hours at Rs.50 per hour

Shearing Department 10 hours at Rs.40 per hour

Boring Department 5 hours at Rs.60 per hour

Variable overheads for the respective departments are estimated as follows:

Cutting Department Rs.40,000 for 2,000 Direct labour hours

Shearing Department Rs.20,000 for 2,500 Direct labour hours

Boring Department Rs.10,000 for 400 Direct labour hours

**Contd...**

Fixed overheads are estimated at Rs.1,00,000 for 20,000 normal working hours. You are required to ascertain the cost of Job No.76 and calculate the price to be charged so as to give a profit of 20% on cost.

12. The following details are available in respect of processes 'A' and 'B' for May 2021:

	<b>Process A</b> (Rs.)	<b>Process B</b> (Rs.)
Material consumed	50,000	10,000
Wages	20,000	30,000
Overheads	10,000	10,000

Process 'A' transfers its output to process 'B' at a profit of 20% on transfer price and process 'B' transfers its product to finished stock at 20% on cost. The finished goods are sold for Rs.2,00,000. Prepare the process accounts.

II - Compulsory question (1 × 10 = 10 Marks)

13. Prepare process accounts from the following details:

	<b>Process I</b> (Rs.)	<b>Process II</b> (Rs.)
Materials	40,000	6,000
Labour	15,000	16,000
Expenses (Direct)	5,000	3,000

Production overhead Rs.60,000 to be allocated to Process I and II on the basis of 150% of Direct wages. Production during the period 2,000 units.

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