

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 - NOV'2024

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. What are the merits and limitation of Job costing?
2. Explain the methods of dealing with by – Products in process costing.
3. Modern Printers undertook two jobs during the 1<sup>st</sup> week of June 2007. The following details are available:

	<b>Job 110 (Rs.)</b>	<b>Job 120 (Rs.)</b>
Materials 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

Find 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

4. Modern construction Ltd., has taken contracts on 1<sup>st</sup> Oct 2020. The position of contracts on 30<sup>th</sup> Sep 2021 is as follows:

	<b>Contract I (Rs.)</b>	<b>Contract II (Rs.)</b>
Contract price	27,00,000	60,00,000
Materials	5,80,000	10,80,000
Wages paid	11,24,000	16,50,000
Other expenses	28,000	60,000
Plant at site	1,60,000	3,00,000
Unused materials at site	40,000	60,000
Wages payable	36,000	54,000
Other expenses due	4,000	9,000
Work certified	16,00,000	30,00,000
Cash received	12,00,000	22,50,000
Work completed but not yet certified	80,000	90,000

The plant at site is to be depreciated at 10%. Prepare the contract account in respect of each work, showing the notional profit and also the profit to be transferred to profit and loss account.

5. Describe the characteristic features of Process costing and the industries where it is employed.
6. Explain the methods of Apportionment of Joint Costs.

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7. Srikar & Co., produces a product through two processes 'J' and 'K'. Prepare the process accounts from the following details relating to March 2020.

	Process J (Rs.)	Process K (Rs.)
Material	45,000	15,000
Labour	60,000	25,000
Chargeable expenses	5,000	10,000

The overheads amounting to Rs.17,000 are to be apportioned on the basis of labour.

8. Prepare a process account from the following along with abnormal loss account and normal loss account.

Materials issued to process 1000kgs at Rs.200 each; wages Rs.1, 40,000 and overhead Rs.20, 000. Normal loss 10% of input. Actual output 800kgs.

### Section C

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

9. The following details are extracted from the costing records of Balaji Oil Mill for the year ended 31<sup>st</sup> March 2010. Purchase of 500 tons of copra Rs.2,00,000

	Crushing (Rs.)	Refining (Rs.)	Finishing (Rs.)
Cost of labour	2,500	1,000	1,500
Electric power	600	360	240
Sundry material	100	2,000	-
Steam	600	450	450
Repairs of machinery	200	330	140
Factory expenses	1,320	660	220

Cost of casks Rs.7,500

300 tons of crude oil were produced

250 tons of oil were produced by the refining process

248 tons of refined oil were finished for delivery

Copra sacks sold for Rs.400

175 tons of copra residues sold for Rs.11, 000

Loss in weight in crushing 25tons. 45 tons of by-products obtained from refining process Rs.6,750.

You are required to show the accounts in respect of each of the following stages of manufacturing for the purpose of arriving at the cost per ton of each process and the total per ton of the finished oil; a) copra crushing process b) Refining process c) Finishing process including casking.

10. A Joint process results in the production of three products. A, B and C at a total cost of Rs.26,250. The subsequent costs of the products were Rs.8,000; Rs.10,000 and Rs.12,000 respectively. They were sold as follows with estimated profit on sales:  
 Product A: Rs.20,000; profit 20%  
 Product B: Rs.28,000; profit 25%  
 Product C: Rs.40, 000; profit 30%.  
 Show the apportionment of joint costs on the basis of net realisable value.
11. Kovai construction co. Ltd., Undertook two contracts on 1<sup>st</sup> April 2010 and 1<sup>st</sup> July 2010 respectively. Their accounts showed the following position on 31<sup>st</sup> Dec 2010.

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Particulars	Contract A (Rs.)	Contract B (Rs.)
Contract price	1,20,000	1,00,000
Work certified	80,000	64,000
Work uncertified	2,400	3,200
Materials	28,500	23,000
Wages	44,000	45,000
General expenses	1,900	1,300
Cash received in respect of work certified	60,000	48,000
Wages accrued	1,400	1,500
General expenses accrued	500	200
Plant installed	8,000	6,400
Materials on hand	1,400	1,520

On the respective dates of the contracts the plant was installed depreciation there on being taken at 15% per annum. Write up contract ledger and ascertain the profit or loss on each contract and show the relevant items in the company's balance sheet.

12. A foreman of Aruna and company presented the following cost for job no.421 to determine the selling price

	Per unit (Rs.)
Material	70
Direct wages 18hrs @ Rs.250 (dept X-8hrs; dept Y-6hrs; dept Z-4hrs)	45
Chargeable expenses (special store item)	5
	120
Add: 33 $\frac{1}{3}$ %	40
Cost	160

Analysis of the Profit and Loss A/c for 2021 shows the following:

Particulars	Rs.	Rs.	Particulars	Rs.
To material used		1,50,000	By sales less returns	2,50,000
To direct wages:				
Dept X	10,000			
Dept Y	12,000			
Dept Z	8,000	30,000		
To special stores items		4,000		
To overheads				
Dept X	5,000			
Dept Y	9,000			
Dept Z	2,000	16,000		
To gross profit c/d		50,000		
		2,50,000		2,50,000
To selling expenses		20,000	By Gross Profit b/d	50,000
To net profit		30,000		
		50,000		50,000

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It is also noted that average hourly labour rates for three departments X, Y and Z are similar. You are required to:

- i) Draw up a job cost sheet
- ii) Calculation the entire revised cost using 2021 actual figures as basis
- iii) Add 20% to total cost to determine selling price

13. Classify the advantages and disadvantages of Process costing in briefly.

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