।। विद्या सर्वस्य भूषणम ।।

PRABODHAN EDUCATION SOCIETY'S

Vidya Prabodhini College of Commerce, Education, Computer & Management

Vidyanagar, Alto-Parvari, Goa

SEMESTER END EXAMINATION-OCTOBER 2016 (REGULAR / REPEAT)

Semester: III — M.Marks:80

Sub: Financial Accounting - III — Duration: 2 hours

Instructions:

1. Question No. 1 is compulsory
2. Attempt any three from question No. 2 to question No. 6
3. Working note should form the part of the solution.
4. Every main question should begin on fresh page.
5. Use of calculator allowed.

Q.1. Ananta ltd. manufactures a product that passes through three processes before turning into a finished product. The following information is available in respect of each process.

Particulars	**Process A**	**Process B**	**Process C**
Cost of sundry material	1,000	1,200	1,500
Direct wages	5,000	6,000	8,000
Sundry expenses	1,000	1,800	1,850
Output in units	7,400	5,000	2,900
Normal Loss	5%	10%	5%
Output transferred to Warehouse	20%	40%	100%
Output transferred to next process	80%	60%	------

Normal Loss of Process A, B and C is realized at Rs.2, Rs.3 and Rs.5 per unit respectively. In process A, 8,000 units were introduced at a cost of Rs.10,000. Overhead charges were 150% of direct wages of respective process.

Prepare Process A, Process B, Process C Account and Warehouse Account. **(20 marks)**

Q.2. The following trial balance was extracted on 31st March, 2016 from the books of Salil Contractors:

Particulars	Debit/Rs	Credit/Rs
Share Capital		3,51,800
Profit & Loss Account on 1st April, 2015		25,000
Provision for depreciation of Machinery		63,000
Cash received on Account: Contract 7		12,80,000
Creditors		81,200
Land and Buildings(Cost)	74,000	
Machinery (Cost)	52,000	
Bank	45,000	
Materials	6,00,000	

Direct Labour Expenses Machinery on site (Cost)	8,30,000 40,000 1,60,000 $\boxed{18,01,000}$	$\boxed{18,01,000}$

Contract 7 begun on 1st April, 2015. The contract price is Rs. 24,00,000 and customer has so far paid Rs. 12,80,000 being 80% of the work certified.

The cost of the work done since certification is estimated at Rs. 16,000.

On 31st March, 2016; after the above trial balance was extracted, machinery costing Rs. 42,000 was returned to stores, and materials then on site were valued at Rs. 27,000.

Provision is to be made for direct labour accrued Rs. 6,000 and for depreciation For all machinery at 12.5% on cost.

You are required to prepare:

a) Contract Account.
b) Balance Sheet of Salil. Contractors as on 31st March, 2016. **(20 marks)**

Q.3. From the following particulars, prepare a cost sheet showing the cost per item and total per ton, for the month ended 31st March, 2016:

Particulars	Rs
Raw materials	33,000
Productive wages	35,000
Unproductive wages	10.500
Factory rent and taxes	7,500
Factory lighting	2,200
Factory heating	1,500
Motor power	4,400
Haulage	3,000
Directors fees(factory)	1,000
Directors fees (office)	2,000
Factory cleaning	500
Sundry office expenses	200
Factory stationery	750
Office stationery	900
Loose tools written off	600
Rent and taxes (office)	500
Water supply	1,200
Factory insurance	1,100
Office insurance	500
Legal expenses	400
Direct expenses	3,000
Rent of warehouse	300
Depreciation of plant and machinery	2,000
Depreciation of office buildings	1,000
Depreciation of delivery vans	200
Bad debts	100
Advertising	300

Sales department salaries	1,500
Upkeep of delivery	700
Bank charges	50
Commission on sales	1,500
Sales	3,00,000

The total output for the period has been 150 tons.

Q.4. From the following figures prepare a reconciliation statement: **(20 marks)**

Particulars	Amount
Net loss as per financial records	2,08,045
Net loss 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 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
Value of opening stock in cost accounts	52,600
Value of opening stock in financial accounts	54,000
Value of closing stock in cost accounts	52,000
Value of closing stock in financial accounts	49,600
Interest charged in cost accounting but not in financial accounting	6,000
Preliminary expenses written off in financial accounts	800
Provision for doubtful debts in financial accounting	150

Q.5.A. Babu Transport Ltd. is running 4 buses between two towns which are 40 miles apart. Each bus makes one trip a day. Seating capacity of each bus is 40 passengers, and on an average 75% of the seats are occupied. The following particulars were obtained from the company's books for the month of April.

You are required to ascertain cost per passenger mile of operating their service. **(10 marks)**

Particular	Rs
Wages of drivers, conductors and cleaners	2,400
Salaries of office and supervisory staff	1,000
Diesel oil and other oils	4,000
Repairs and maintenance	800
Taxation, insurance etc.	1,600
Depreciation	2,600
Interest and other charges	2,000
	14,400

Q. 5.B. What is job order costing? Enumerate the advantages and limitations of job order costing. **(10 marks)**

Q. 6. A. From the following calculate P/V ratio and B.E.P. **(5 marks)**

Particulars	Rs.
Sales	2,00,000
Fixed cost	40,000
Variable cost	1,20,000

B. Answer ANY THREE. **(3 x 5 marks)**

a. Advantages of cost accounting to management.
b. Difference between cost accounting and financial accounting.
c. Benefits of standard costing.
d. Advantages of budgetary control.
e. Functional budgets.