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PRABODHAN EDUCATION SOCIETY'S

Vidya Prabodhini College of Commerce, Education, Computer & Management

Vidyanagar, Alto-Parvari – Goa

S.Y. B.COM SEMESTER END EXAMINATION – OCT/NOV 2017 (Regular/ Repeat)

Semester: III

M. Marks: 80

Sub: Financial Accounting -III

M. Time: 2 hrs

INSTRUCTIONS: 1. Question No. I is Compulsory.

2. Attempt any three from Q. No. II to Q. No. VI

3. All questions carry equal marks.

4. Working note should be part of your answer.

5. Every main question should begin on fresh page.

6. Use of calculator allowed

Q. I The following data has been extracted from the Soham Industries Ltd., Mumbai for the year end 31st March 2016. You are required to prepare a Cost Sheet showing the component of Total Cost, Cost per unit and the Profit. The total output for the period has been 2000 units. [20 marks]

Opening stock of Raw Material	1,00,000	Salary – office staff	2,25,000
Purchase of Raw Material	75,000	- Salesman	1,20,000
Closing stock of Raw Material	50,000	Managers Remuneration-office	55,000
Direct Wages	1,25,000	Bad debts written off	22,000
Direct expenses	90,000	Advertising expanses	45,000
Rent & Rates – factory	8,000	Travelling expenses of salesman	5,000
Office	10,000	Legal expenses	50,000
Indirect consumption of material	15,000	Sales	10,00,00
Depreciation on:		Advance income tax paid	10,000
Plant & Machinery	25,000	Opening stock of WIP	25,500
Office furniture	15,000	Closing Stock of WIP	15,500
Carriage Inward	5,000	Opening stock of Finished goods	10,000
Directors fees	10,000	Closing stock of Finished goods	5,000
Carriage Outward	25,000	Sale of Scrap	15,500
Fuel and Power	12,000		

Q. II A 'Chemical' is manufactured by Roy Ltd, Margao-Goa, after it passes through 2 distinct processes. The following information is obtained from the records of the company for the year ended 31.03.2015. Prepare Process I, Process II and Finished Stock accounts. [20 marks]

	PROCESS I (Rs)	PROCESS II (Rs)
Direct Material	30,000	3,000
Direct Wages	10,000	12,000
Overheads	7,000	8,600
Sale value of waste per unit	1	2
Normal Loss in %	10%	4%

Units introduced to Process I is 20,000 units and process II is 17,500 units. There was no stock of materials or work in progress at the beginning and at the end of the year. The final output from Process II was 17,000 units. The output of each process passes direct to next process and finally to the finished stock account.

Q. III A contractor having authorized capital of Rs. 1,00,000 divided into 1000 equity shares of Rs. 100 each started a business on 1st January 2016 and engaged in a contract whose price of Rs. 4,00,000. The Trial balance as on 31st December 2016 was as follows. [20 marks]

Particulars	Debit	Credit
Share Capital (80% paid up)		80,000
Creditors		8,000
Land and building	34,000	
Cash at bank	9,000	
EXPENSES CHARGED TO CONTRACT A/C		
Material	80,000	
Plant issued	15,000	
Wages	1,05,000	
Expenses	5,000	
Cash received being 80% of work certified		1,60,000
	<u>2,48,000</u>	<u>2,48,000</u>

Additional information:

1. Of the plant and material plant costing Rs. 3000 and material costing Rs. 2400 was destroyed by accident.

2. On 31st Dec. 2013, plant costing Rs. 4000 was returned to the stores and value of material at the site was Rs.3000, work uncertified was Rs. 2000.
3. Charge 10% p.a depreciation on plant.

Prepare Contract a/c and Balance sheet as on 31.12.2016

Q. IV Answer the following:

[15 marks]

A. R.K Transport Ltd, Goa arranged a truck for the removal of garbage from the Parvari area. The company supplies the following details in respect of a truck of 5 –ton capacity for the month of June 2017.

Cost of truck	Rs. 1, 00,000
Estimated Life	10 Years
Diesel, oil, Grease	per trip each way Rs. 15
Repairs and Maintenance	per month 500
Driver's Wages	per month 500
Cleaner's wages	per month 250
Insurance	per year 4800
Tax	Per year 2400
Miscellaneous expenses	per month 600
Garage rent	per month 1000
Replacement of tyre, tubes	per month 5000

The truck carries garbage from Parvari to Vasco distance of 45 km each way. While going to Vasco, freight is available to the extent of full capacity and on return 20% of capacity. Assuming that a month consists of 30 days, calculate the cost per –ton km for the removal of garbage for the month of June 2017.

B. Describe the special features of Job Costing?

[05 marks]

Q V. The profit disclosed by the companies Cost account for the year 2009 was Rs. 30, 114 while the net profit shown in financial books amounted to Rs. 30,632. On reconciling the figures, the following differences brought to light. You are required to prepare reconciliation statement.

[20 marks]

1. Overheads in cost account estimated Rs. 7,500 whereas in financial books it shows Rs. 6,930/-.

2. Directors fees not charged in cost account amounted to Rs. 750/-.
3. The company has allocated Rs. 500 to general provision for bad debts.
4. Work was commenced during the year on a new factory and expenditure Rs. 12,000 was incurred. Depreciation of 5% was provided for financial accounts.
5. Overvaluation of closing stock in financial books is Rs. 5,000
6. Under valuation of closing stock in financial books is Rs. 2,000
7. Transfer fees received amounted to Rs. 300.
8. Amount charged for income tax Rs. 9,000
9. Preliminary expenses written off in financial accounts is Rs. 10,000
10. Miscellaneous income, considered only in financial amounted to Rs. ~~2,500~~ 17498

Q VI A. Write short note on any three of the following: [15 marks]

1. Advantages of Cost Accounting to Consumers and Government.
2. Differentiate between Cost Accounting and Financial Accounting
3. Standard Costing- Characteristics.
4. Marginal Costing – Advantages
5. Cost centres and Cost unit

B. From the following particulars of XYZ company you are required to calculate: [5 marks]

- | | |
|-----------------|--------------|
| a) Contribution | b) P/V ratio |
| c) B.E.P(units) | d) B.E.P(Rs) |

Selling Price per unit is Rs. 100, Variable cost per unit is Rs. 60 and the fixed cost is Rs. 4000 p. a.

*****BEST OF LUCK*****