

**S.Y.B.COM SEMESTER END EXAMINATION**

OCT-NOV

2018-19 (REGULAR / REPEAT /

**SUB: FUNDAMENTALS OF COST ACCOUNTING (CBCS)**

**SEMESTER: III**

**DURATION: 2 HRS**

**MAX. MARKS: 80**

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**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 solution.
4. Use of non-programmable calculators allowed.
5. Figures to the right indicate full marks.

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Q.1. Product 'J' passes through three process to completion. Following are the relevant details:

a) Elements of cost

Particulars	Process. 1	Process. 2	Process. 3
Direct material	2,000	3,020	3,462
Direct labour	3,000	4,000	5,000
Direct expenses	500	226	0
Production overhead	1,500	2,000	2,500

b) 1,000 units at Rs. 5 each were issued to Process 1.

c) Output of each process was: Process 1: 9,200 units; Process 2: 870 units and Process 3: 800 units.

d) Normal loss per process was estimated as: Process 1: 10% of units introduced; Process 2: 5% and Process 3: 10%.

e) The loss in each process has a scrap value which could be sold to a merchant at value as follows: Process 1: Rs. 3 per unit; Process 2: Rs. 5 per unit and Process 3: Rs. 6 per unit.

There was no stock of material or work in progress in any process at the beginning or end of the period. The output of each process passes directly to the next process and finally to finished stock. You are required to show process account. **(20 marks)**

Q.2. Prepare a Cost Sheet to show the Total Cost of Production and Cost per Unit and Goods manufactured by a Company for the month of October 2018.

Particulars	Amount
Stock of raw material on 1st October 2018	4,000
Raw material purchased	30,000
Stock of raw material on 31st October 2018	4,500
Manufacturing wages	10,000
Depreciation on plant	4,500
Loss on sale of plant	300
Factory Rent and Rates	5,000
Other rent (office)	5,000
General Expenses	4,000
Office managers salary	9,000
Discount on Sale	2,000
Advertisement	3,000
Income Tax paid	2,000
Debenture interest	1,000
Dividend	2,000
Capital Loss	1,000
Preliminary expenses	500
Sales	1,06,067

**Adjustment:**

1. The no. of units produced during October 2018 was 6,000.
2. The stock of finished goods was 400 units on 1st October 2018 and 800 units on 31st October 2018. The total cost of the finished goods units in hand on 1st October 2018 was RS. 5,600. All the units have been sold during the month. **(20 marks)**



Q.3. Following information relates to a building contract commenced on 1<sup>st</sup> April 2016 for Rs. 10,00,000.

Particulars	2016-17 (Rs.)	2017-18 (Rs.)
Materials issued	3,02,000	84,000
Direct wages	2,00,000	1,00,000
Outstanding wages	20,000	
Contract charge	12,000	10,000
Indirect expenses	10,000	
General expenses	6,000	1,400
Supervision charges	10,000	5,000
Work certified	7,50,000	10,00,000
Work uncertified	8,000	
Materials at site at the end	5,000	
Plant issued	14,000	2,000
Materials returned to stores	2,000	5,000
Cash received from the contractee	6,00,000	4,00,000

The value of plant at the end of 2016-17 and 2017-18 was Rs. 7,000 and Rs. 5,000 respectively. Prepare contract accounts for the year 2016-17 and 2017-18. (20 marks)

Q.4. Answer the following:

(4 x 5 marks)

A. From the following information find out cost of material consumed per unit:

Production: 2,000 units.

Stock of materials: 1-4-2017: Rs.9,300 and as on 31-03-2018: Rs.6,800

Purchases Rs. 25,000; Octroi duty: Rs. 1,100 and carriage inwards Rs. 800.

B. Prepare Process X account from the following information:

Materials Rs. 30,000; Labour Rs. 10,000; Overheads Rs. 7,000; Normal loss Rs. 10%;

\* scrap realized per unit Rs. 2. Final output from process x was 17,500 units and input was 20,000 units costing Rs. 4 per unit.

C. A factory produces 100 units of a commodity. The cost of production is:

Particulars	Amount
Direct materials	10,000
Direct wages	5,000
Direct expenses	1,000
Factory overheads	6,500
Administrative overheads	3,480

If profit of 25% on cost is to be realized, what would be the selling price of each unit of the commodity? Prepare the cost sheet.

D. Mr. Aditya, a contractor is working on a contract started on 1<sup>st</sup> April, 2017 and the total contract value is Rs. 40,00,000. Mr. Aditya received Rs. 18,00,000 which is 75% of the work certified by the architect. You are required to calculate the % and amount of work certified by the architect.

Q.5. Answer ANY FOUR from the following: (4 x 5 marks)

1. Write a note on cost, costing and cost accounting.
2. State the objectives of cost accounting. (Any five)
3. Write a note on difference between cost accounting and financial accounting. (Any five points)
4. Write a note on cost centre and cost unit.
5. State the advantages of cost accounting to management. (Any five points)

Q.6. Answer ANY FOUR from the following: (4 x 5 marks)

1. Write a note on escalation and de-escalation clause of contract.
  2. Write a note on work certified and work un-certified.
  3. Define the concept of normal loss in process costing.
  4. Write a note on abnormal loss and abnormal gain.
  5. What is unit costing?
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