

VFCCECM

SYBCOM Semester End Assessment (Regular/Repeat)

NOVEMBER, 2022

Course Title: Fundamentals of Cost Accounting

Course Code: UCOC106

Category: CC

Semester: III

Duration: 2 Hours

Max Marks: 80

Instructions:

1. Question 1 is compulsory.
2. Answer **any three** questions from Q. 2. to Q.6.
3. Working note should form part of solution.
4. Use of non-programmable calculator is allowed.
5. Figures to the right in brackets indicate maximum marks.

Q.1. The following particulars have been extracted from the books of J.K. Production Co. Ltd. for the year ended 31.3.2022.

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Stock of materials as on 1 st April 2021	47,000	Travelling expenses	3,700
Stock of materials as on 31 st March 2022	45,000	Travelling salaries and commission	7,800
Materials purchased	2,08,000	Production wages	1,45,000
Office salaries	23,600	Depreciation on machinery	9,100
Carriage inwards	8,200	Depreciation on office furniture	600
Carriage outwards	5,100	Director's fees	6,000
Donations to relief fund	4,300	Gas and water charges (factory)	1,000
Sales	4,87,000	Gas and water charges (office)	300
Bad debts written off	4,700	General charges	5,000
Rent, rate and taxes (factory)	3,000	Manager's salary	18,000
Rent, rates and taxes (office)	1,000	Repairs of plant, machinery and tools	8,600

Out of 48 working hours in a week, the time devoted by the manager to the factory and office was on an average 30 hours and 18 hours respectively throughout the accounting year.

(20 Marks)

Q.2. DB Construction Ltd. is engaged on two contracts A and B during the year. The following particulars are obtained at the year ended 31st December 2021:

Particulars	Contract A (Rs.)	Contract B (Rs.)
Contract Price	6,00,000	5,00,000
Materials issued	1,60,000	60,000
Materials returned to stores	4,000	2,000

Materials on site (31 st December 2021)	22,000	8,000
Direct labour	1,50,000	42,000
Direct expenses	66,000	35,000
Establishment expenses	25,000	7,000
Plant installed	80,000	70,000
Value of plant (31 st December 2021)	65,000	64,000
Cost of contract not yet certified	23,000	10,000
Value of contract certified	4,20,000	1,35,000
Cash received from contractee's	3,78,000	1,25,000
Architect fees	2,000	1,000

During the period materials amounting to Rs. 9,000 have been transferred from Contract A to Contract B.

You are required to prepare A) Contract accounts, and B) Contractee's accounts.

(20 Marks)

Q.3. Product B is obtained after it passes through three distinct processes. The following information is obtained from the accounts for the week ending 31.10.2022:

Items	Total (Rs.)	Process I (Rs.)	Process II (Rs.)	Process III (Rs.)
Direct materials	7,542	2,600	1,980	2,962
Direct wages	9,000	2,000	3,000	4,000
Production overhead	9,000	2,000	3,000	4,000

1,000 units at Rs. 3 each were introduced to Process I. There was no stock of material or work in progress at the beginning or at the end of the period. The following additional data are obtained:

Process	Output (Units)	Normal loss to input	Value of scrap per unit (Rs.)
Process I	950	5%	2
Process II	840	10%	4
Process III	750	15%	5

Prepare process cost accounts and related accounts.

(20 Marks)

Q.4. The following information relates to building contract for Rs. 10,00,000.

Particulars	Year 2021 (Rs.)	Year 2022 (Rs.)
Materials issued	3,00,000	84,000
Direct wages	2,30,000	1,05,000
Direct expenses	22,000	10,000
Indirect expenses	6,000	1,400
Work certified	7,50,000	10,00,000
Work uncertified	8,000	-
Materials at site	5,000	7,000
Plant issued	14,000	2,000
Cash received from contractee's	6,00,000	10,00,000

The value of plant at the end of 2021 and 2022 was Rs. 7,000 and 2,000 respectively. You are required to prepare A) Contract accounts, and B) Contractee's account.

(20 Marks)

Q.5. From the following information prepare Cost Sheet:

Particulars	Amount (Rs.)
Opening stock of Raw material	3,00,000
Purchases	8,00,000
Closing stock of raw materials	4,00,000
Carriage inward	50,000
Wages: Direct	7,00,000
Wages: Indirect	1,00,000
Other factory charges	2,00,000
Rent: Factory	40,000
Rent: Office	5,000
Indirect materials	15,000
Factory expenses	10,000
Depreciation: Machinery	5,000
Depreciation: Plant	1,000
Salary: Salesman	45,000
WIP: Opening	20,000
WIP: Closing	10,000
Sale of scrap	10,000
Repairs of machinery	57,000
Other Office expenses	9,000
Managing Director remuneration	1,20,000
Other Selling expenses	10,000
Office salaries	40,000
Opening stock of finished goods	10,000
Closing stock of finished goods	50,000
Travelling expenses of Salesman	11,000
Carriage outward	10,000
Sales	25,00,000
Advance income tax paid	1,50,000
Advertisement	20,000

Managing director remuneration to be allotted as Rs.40,000 to factory, Rs.20,000 to office and Rs.60,000 to sales. (20 Marks)

Q.6. Answer ANY FOUR of the following: (4*5=20 Marks)

- Features of cost accounting.
- Distinguish between Cost accounting and Financial accounting.
- Explain any four types of cost.
- Features of process accounting.
- Write a note on cost centre.
- Distinguish between fixed cost and variable cost
