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T.Y.B.Com Semester VI (CBCS) Ordinance
EXAMINATION MAY 2023
Cost & Management Accounting- Advanced Cost Accounting I

[Time: 2 Hours]

[Max. Marks:80]

- Instructions:**
1. Question number 1 is **compulsory**
 2. Answer any three questions from Q. No. 2 to Q. No. 6
 3. Give working notes wherever necessary
 4. Each question carries equal marks

Q1 Ms. Poonam is a owner of a mini-bus. She gives following data to find out cost per running k.m. (20)

Particular	Amount (Rs)
Cost of the bus	12,00,000
Road License fee	15,000 p.a.
Salary of a supervisor	10,000 p.m.
Garage Rent	10,000 p.m.
Insurance	24,000 p.a.
Drivers wages	100 per hour
Cost of diesel	70 per litre
Cost of Tyre	3 per k.m.
Maintenance Expenses	2,000 p.m.

Kms run per litre : 5 km; Annual kms running: 30,000 kms

Estimated life of the bus 1,20,000 kms. The bus covers 25 kms per hour.

Prepare operating cost sheet for the month.

Q2 Following information is available for job no 432 which is being carried out at the request of the customers. (20)

Particulars	Department A	Department B	Department C
Materials consumed	Rs 4000	Rs 1000	Rs 1500
Direct labour:			
Wage rate per hour	Rs 3	Rs 4	Rs 5
Direct labour hours	300 hours	200 hours	400 hours

In accordance with company policy, the following items are chargeable to the job.

- ❖ Fixed production overheads Rs 5 per direct labour hour.
- ❖ Fixed administration overheads is 80% of works cost.
- ❖ Selling and distribution overheads is 20% of works costs.
- ❖ Profit margin 20% on selling price.

Prepare the job cost sheet for job no 432, showing works costs, cost of production, cost of sales and selling price.

- Q3 The financial books of a company show a net profit of Rs 2,57,510 for the year ending 31st December. The cost accounts show a net profit of Rs 3,44,800 for the same corresponding period. The following facts are brought to light. Prepare a reconciliation statement. (20)

	Amount (Rs)
Under recovery of factory overheads in cost a/cs	6,240
Over-recovery of overheads in cost a/cs	3,400
Depreciation in financial accounts	22,400
Depreciation in cost accounts	25,000
Interest on investments not included in costs	16,000
Loss of obsolescence charged in financial a/cs	11,400
Income tax debited in financial accounts	80,600
Bank interest and dividend credited to financial a/cs	2,450
Loss in stock not charged in cost accounts	13,500

- Q4 Answer the following (2x10=20)
- a. Explain any five techniques of cost control
 - b. Distinguish between cost control and cost reduction

- Q5 A. A factory uses job costing. The following data are obtained from its books for the year ended 31st Dec. 2018. (10)

Materials	Rs 35 p.u.	Labour	Rs 24 p.u.
Factory overheads	Rs 12 p.u.	Administrative overheads	Rs 6 p.u.

Factory receives an order to supply 20 units of product. You are required to show a quotation for a job by considering following estimates.

It is estimated that Rs 1,000 in material and Rs 700 in labour will be required for the new job. Absorb factory overheads on the basis of labour, No change is expected in administrative overheads. A profit of 25% on cost is required.

- B. Explain the procedure for reconciliation (5)
- C. What are the elements of cost control scheme? (5)

- Q6 Answer the following (5x4=20)
- a) Explain the nature and use of batch costing
 - b) Explain in brief hotel costing.
 - c) Explain why reconciliation is required
 - d) What are the areas of cost reduction?