

# C.U.SHAH UNIVERSITY

## Summer Examination-2017

**Subject Name: Cost Accounting - II**

**Subject Code: 4CO06CAC1**

**Branch: B.Com (English), B.Com(LL.B.)**

**Semester: 6**

**Date: 19/04/2017**

**Time: 02:30 To 05:30**

**Marks: 70**

Instructions:

- (1) Use of Programmable calculator & any other electronic instrument is prohibited.
- (2) Instructions written on main answer book are strictly to be obeyed.
- (3) Draw neat diagrams and figures (if necessary) at right places.
- (4) Assume suitable data if needed.

<b>Q-1</b>	<b>Attempt the following questions:</b>	<b>(14)</b>
	a) State the purpose of preparing reconciliation statement	1
	b) State any two items included in financial accounts but not included in cost accounts	1
	c) When profit as per cost accounts is Rs.25000, provisions for income tax amounted to Rs.9000 what will be profits as per financial accounts?	1
	d) State any two industries where job costing can be used	1
	e) State the formula of economic lot size	1
	f) What is meant by joint product?	1
	g) What is the meaning of by-product?	1
	h) What is meant by normal loss?	1
	i) What is meant by certified work?	1
	j) What is meant by fixed price contract?	1
	k) What is meant by sub contract?	1
	l) State any two industries where operating costing can be used	1
	m) Define operating costing	1
	n) Explain composite unit	1

**Attempt any four questions from Q-2 to Q-8**

<b>Q-2</b>	<b>Attempt all questions</b>	<b>(14)</b>
	a) State the reasons for disagreement in profit between cost and financial accounts	7
	b) State the characteristics of job costing	7
<b>Q-3</b>	<b>Attempt all questions</b>	<b>(14)</b>
	a) State the advantages and limitations of job costing	7
	b) State the difference between job and process costing	7
<b>Q-4</b>	<b>Attempt all questions</b>	<b>(14)</b>
	a) Explain different methods of apportioning joint costs	7
	b) Short note : Escalation clause	7
<b>Q-5</b>	<b>Attempt all questions</b>	<b>(14)</b>
	a) Give a specimen of operating costing for road transport company	7



- b Find out passenger kilometer fare for a city bus of one transport company from below information. 7

kilometer	Passengers
1	10000
2	20000
3	16000
4	8000
5	2000

Total expenditure is Rs.18200.Profit per passenger kilometer 2 paisa is expected.

**Q-6 Attempt all questions** (14)

- a Below is the information of one contract. Contract price Rs. 700000, cash received (75% of work certified) Rs.320000, work completed 4/5, total expenses up till now Rs.490000. Find out cost of uncertified work. 7

- b The following details are for job no. 555 : 7  
 Direct materials Rs. 18000  
 Direct labour Rs. 12000  
 Work expenses 50% of labour  
 Other expenses 50% of works cost  
 Find out tender price of job no. 555 to earn 20% profit on selling price.

**Q-7 Attempt all questions** (14)

A product is passing through three different process .From below information prepare necessary process accounts and abnormal loss and abnormal gain account.

Particulars	Process I (Rs.)	Process II(Rs.)	Process III(Rs.)
Other direct material	2000	3020	3462
Direct wages	3500	4226	5000
Production overheads	1500	2000	2500
Normal wastage (of the units introduced)	10%	5%	10%
Sale price of wastage (per unit)	3	5	6
Actual production( in units)	920	870	800

1000 units of material were introduced in process I at Rs. 5 per unit.

**Q-8 Attempt all questions** (14)

In a factory, factory overheads are absorbed at 60% of labour and office expenses at 20% of factory cost. Total expenses are as follows. Material Rs.700000, wages Rs. 525000, factory expenses Rs. 343000 and office expenses Rs.297500. 10% of the output is in stocks. Sales are Rs.1785000. prepare necessary statements and reconciliation statement of cost and financial accounts.

