

C.U.SHAH UNIVERSITY

Winter Examination-2018

Subject Name : Cost Accounting-II

Subject Code : 4CO06CAC1

Branch: B.Com (English)

Semester : 6

Date : 26/10/2018

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.

- Q-1 Attempt the following questions: (14)**
- a) From the following items of income, which item is also shown in cost Accounts? 1
- A) Rent Income C) Income from scrap selling
B) Interest Income D) Dividend Income
- b) Which item is not considered in Financial Accounts? 1
- A) Notional salary the owner C) Material
B) Interest D) Donation
- c) Amount not recorded in profit & loss Account – 1
- A) Owner's remuneration C) Legal expenses
B) Income tax D) Donation
- d) In process costing abnormal loss is debited to- 1
- A) Trading A/c C) Balance sheet
B) Profit & loss A/c D) Process A/c
- e) In a process 5,000 units were introduced, normal wastage is 5%, then how many units of normal wastage will be? 1
- A) 500 units B) 300 units C) 100 units D) 250 units
- f) Which items is not recorded in Process Accounts? 1
- A) Wages B) Salary C) Material D) Donation
- g) The time limit for every job is- 1
- A) Annual B) Half yearly C) Uniform D) Different
- h) Which costing system is used in cosmetic products manufacturing company? 1
- A) Process Costing C) Job Costing
B) Batch Costing D) Unit Costing
- i) In pharmaceutical business which costing method is used ? 1
- A) Contract Costing C) Unit Costing
B) Job Costing D) Batch Costing
- j) As per Contract Accounts, uncertified work means..... 1
- A) Work in progress C) Work not certified
B) Work without permission D) Finished work



- k) Contract costing is mostly used in.... 1
 A) Job B) Service C) Construction D) Batch
- l) Work in Progress Account in contract account includes— 1
 A) Work certified + Work uncertified
 B) Closing balance of plant
 C) Closing balance of material
 D) All of the above
- m) Which of the following is not included in operating costing? 1
 A) Hospital B) Hotel C) Theatre D) Publication Service
- n) Show the cost unit for Tram Transport. 1
 A) Passenger km. C) Per Passenger
 B) Ton km. D) Per km.

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

Q-2 Attempt all questions (14)

- (A) On 1-1-2017 A undertook a Contract No.111 for Rs. 2,00,000. The following information is available in respect of this contract for the 3 months ended on 31st March 2017. 7

	Rs.
Cash received from the contractee (being 75% of the work certified)	30,000
Wages paid	15,000
Material supplied	20,000
Other expenses	3,000
Plant supplied on 1-1-2017	20,000
Uncertified work	1,000
Materials unused lying at site	800
Wages due but not paid	600

Provided 10% depreciation on plant.

Prepare Contract No. 111 Account.

- (B) Write notes on certified work and uncertified work 7

Q-3 Attempt all questions (14)

- (A) The following information regarding Job No. 111 is taken from cost accounts of an engineering factory: 10

	Rs.
Materials	24,060

Labour :

Department A 60 hours, Rs. 18 per hour

Department B 40 hours, Rs. 12 per hour

Department C 20 hours, Rs. 30 per hour

The overhead expenses regarding above three departments are estimated as under:

Variable overheads:

Department A Rs. 30,000 for 5,000 labour hours

Department B Rs. 18,000 for 1,500 labour hours

Department C Rs. 12,000 for 500 labour hours

Fixed overheads: Rs. 80,000 for 10,000 general working hours.



Calculate total cost of Job No.111

- (B) State limitations of job costing 4
- Q-4 **Attempt all questions** (14)
- (A) Write differences between process costing and job costing 7
- (B) Write short note on process losses and wastage 7
- Q-5 **Attempt all questions** (14)
- (A) Write advantages of job costing system 7
- (B) State reasons for disagreement in profit 7
- Q-6 **Attempt all questions** (14)
- (A) The financial profit and loss account of a manufacturing company for the year ended 31st March, 2017 is as follows: 10

Particulars	Rs.	Particulars	Rs.
To materials consumed	50,000	By Sales	1,24,000
To Carriage Inwards	1,000	By share transfer fees	200
To Direct wages	34,000		
To Work expenses	12,000		
To Admin. Exp.	4,500		
To selling & distribution exp.	6,500		
To Debenture Interest	1,000		
To Net Profit	15,200		
	1,24,200		1,24,200

The net profit shown by the Cost Accounts for the year is Rs. 16,270.

Upon a detailed comparison of the two sets of accounts it is found that-

The amounts charged in the cost accounts in respect of overhead charges are as follows: Works overhead charges Rs. 11,500; Office overhead charges Rs. 4,590; Selling and Distribution expenses Rs. 6,640.

Prepare reconciliation Account.

- (B) Explain elements of cost 4
- Q-7 **Attempt all questions** (14)
- (A) Work out the cost per passenger kilometer from the following information of ABC Transport Co. 14

The company has four buses costing Rs. 2,40,000, Rs. 1,90,000, Rs. 1,10,000 and Rs. 1,60,000 respectively.

Calculate depreciation at 20%. Annual maintenance 80% of depreciation amount.

Wages of 4 drivers @ Rs. 2,500 each per month.

Wages of 8 cleaners @ Rs.1,250 each per month.

Rate of interest @ 20% on capital invested.

Rent of garage Rs. 7,000 per month

Office expenses Rs. 10,000 per month.

License fee @ Rs. 10,000 for six months.

Average per litre 8 km.

Rate of diesel per litre Rs. 20

Expenses for tyre and tube per km Rs. 5.

During the year 900 passengers were carried over 16,000 kilometres.

Solve above example only on basis of annual expenses.



Q-8

Attempt all questions

(14)

(A) Write a note on various services

7

(B) Product X yield by-products Y and Z. The joint expenses of manufacturer are as under:

7

	Rs.
Materials	10,000
Labour	2,000
Overhead expenses	8,000
	20,000

Separate expenses are as under:

	X	Y	Z
Materials	1,500	1,300	1,000
Labour	200	150	100
Overhead expenses	800	550	400
	2,500	2,000	1,500
Selling price	30,000	24,000	20,000
Estimated expenses	30%	25%	20%

Show how would you allocate joint expenses of production.

