

C.U.SHAH UNIVERSITY

Summer Examination-2019

Subject Name : Cost Accounting-II

Subject Code : 4CO06CAC2

Branch: B.Com. (English)

Semester : 6

Date : 25/04/2019

Time : 10:30 To 01:30

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, which item is not shown in cost sheet? 1
(A) Materials (C) Salary
(B) Carriage outwards (D) Dividend paid
- b) Advertisement is _____ expense. 1
(A) Factory indirect (C) Selling & distribution indirect
(B) Administrative indirect (D) None of the above
- c) Carriage outward will be included in- 1
(A) Labour overheads (C) Office overheads
(B) Factory overheads (D) Selling overheads
- d) Amount recorded in Profit & Loss account, but not recorded in Cost accounts- 1
(A) Preliminary Expenses (C) Office Expenses
(B) Factory Expenses (D) Sales Expenses
- e) Goodwill written off is recorded in- 1
(A) Cost Account (C) Financial A/c & Cost A/c both
(B) Financial A/c (D) None of these
- f) Which item is not considered in Cost Accounts? 1
(A) Material (B) Wages (C) Interest (D) Indirect Expenses
- g) Units introduced 1,000, actual production 850 units, normal wastage 10% of input. Find out units of abnormal wastage. 1
(A) 150 units (B) 100 units (C) 50 units (D) 85 units
- h) In which of the following industry, Process Costing is not used? 1
(A) Rubber Industry (C) Soap Industry
(B) Dairy Industry (D) Construction Industry
- i) 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
- j) The time limit for every job is- 1



- (A) Annual (B) Half yearly (C) Uniform (D) Different
- k) Which costing method is adopted by Gold Jewellery industry? 1
 (A) Job costing (C) Process costing
 (B) Unit costing (D) Batch costing
- l) In pharmaceutical business which costing method is used? 1
 (A) Contract costing (C) Unit costing
 (B) Job costing (D) Batch costing
- m) Legal expenses are shown in cost sheet as- 1
 (A) Factory expense (C) Office expenses
 (B) Direct expenses (D) Distribution expenses
- n) If sales is Rs. 2,00,000 and profit is to be calculated at 20% of sales, the 1
 profit will be-
 (A) Rs. 20,000 (B) Rs.25,000 (C) Rs.30,000 (D) Rs.40,000

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

Q-2

Vidhi ltd produced and sold 10,000 units during 2016. The particulars are as 14
 under. Selling price per unit is Rs.780

Particulars	Rs.
Materials	26,00,000
Direct wages	14,00,000
Direct expenses	2,00,000
Factory expenses (40% variable)	14,00,000
Office expenses (fixed)	5,60,000
Selling expenses (70% variable)	6,40,000
Total	68,00,000

During the year 2017 production and sale is estimated at 50,000 units.
 The additional information is as under:

- 1) Direct wage per unit will decrease by 20%
- 2) Fixed factory expenses will increase by Rs.6,00,000
- 3) Office expense will increase by 25%
- 4) Variable selling expense will rise by Rs.1.60 per unit
- 5) 25% profit is estimated on cost.

Prepare : statement of cost per unit and total cost of 2016
 Estimated cost sheet of 2017

Q-3 Attempt all questions (14)

- (A) Explain elements of cost 4
 (B) Write difference between process costing and job costing 10

Q-4

The trading A/c and Profit and Loss A/c of Kana Ltd. Is as under, the year 14
 ending on 31-3-2017:

Trading and Profit and Loss A/c

Particulars	Rs.	Particulars	Rs.
To Materials	40,000	By Sales	1,00,000
To Direct wage	24,000	(2,700 units)	



To Manufacturing charges	16,000	By Closing stock	8,000
To Office charges	14,000	(10% production)	
To Selling distribution charges	9,000	By Interest received	400
To Preliminary exp.	4,000	By Dividend received	400
Written off	200	By Rent received	400
To Net profit	2,000		
	1,09,200		1,09,200

The cost accounts give following information:

- 1) Materials and wages are taken at their cost price
- 2) Manufacturing charges are taken as 50% of wages
- 3) Office overheads at 20% of factory cost
- 4) Selling distribution overheads at the rate of Rs.3 per unit

Prepare : cost sheet and Reconciliation statement

Q-5 Attempt all questions (14)

(A) State features of process costing **7**

(B) State characteristics of job costing **7**

Q-6 Attempt all questions (14)

(A) The production of a product of Gajanan ltd. Passes through two processes **10**

and then it is transferred to finished stock. 4,000 units were introduced in Process-1 at the rate of Rs. 6, during the month ended on 31-3-2017. Other information is as under:

Particulars	Process-1	Process-2
Sundry materials	Rs. 20,800	Rs. 15,840
Direct wages	Rs. 18,000	Rs. 28,000
Manufacturing overheads	Rs. 14,000	Rs. 20,000
Actual output (in units)	3,800	3,360
Normal wastage (% of input)	5%	10%
Sales value of wastage per unit	Rs.4	Rs.8

From the above information, prepare Process Accounts and find out cost per unit of each process. Prepare abnormal wastage of gain accounts also.

(B) 4,000 units are introduced at a total cost of Rs.68,800. Normal loss is 10%. **04**

Each unit carries a scrape value of Rs. 10. If the actual output is 3,640 units, what will be the value of abnormal gain?

Q-7 Attempt all questions (14)

(A) Following information has been obtained in respect of job no. 777 **08**

Materials Rs. 8000

Wages :

Department – A 100 hours, at the rate of Rs. 3 per hour

Department – B 80 hours , at the rate of Rs. 5 per hour

Variable overheads:



Department – A Rs. 7500 which is for 5000 labour

Department – B Rs. 6000 which is for 3000 labour

Fixed overheads:

Rs. 15000 for 10,000 hours

From the above information, calculate the cost of job no. 777 and determine the selling price after adding 25% profit on cost price.

(B) The following details are given for Job No. 555 06

Direct Materials Rs.18,000

Direct labour Rs.12,000

Work expenses 50% on labour

Other expenses 50% on works cost.

The tender price should include 20% profit on selling price. What would be the Tender Price of Job No.555?

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

(A) Write short note : work in progress 7

(B) Write advantages and disadvantages of process costing 7

