SY BBI 7/3/15 Cost Acctg.

N03AEX

MAX. MARKS : 75 Timing : 2 ½ Hrs.

Note : 1) All questions are compulsory.
2) Figures on right indicates full marks.
3) Working notes must be presented neatly.

Q.I A) Explain the following terms : (8)
1. Costing
2. Reconciliation
3. Prime Cost
4. Normal Loss

B) Classify the following cost with justifications : (7)
1. Drawing office salary
2. Exhibition expenses
3. Custom duty on raw materials
4. Telephone Fax Charges

OR

Q.I. B) From the following information the ABC Ltd prepare a Reconciliation statement for the period ending 31.12.2014' - (15)

Net profit as per Costing Records	Rs.	1,72,400/-
Works overhead under recovered in Costing	Rs.	3,120/-
Administrative overhead recovered in Excess	Rs.	1,700/-
Depreciation charged in Financial records	Rs.	11,200/-
Depreciation recovered in Costing	Rs.	12,500/-
Interest received not included in Costing	Rs.	8,000/-
Obsolescence loss charged in Financial records	Rs.	5,700/-
Income tax provided in Financial books	Rs.	40,300/-
Bank interest credited in Financial books	Rs.	750/-
Stores adjustments credit in Financial books	Rs.	475/-
Value of opening stock in – Financial books	Rs.	54,000/-
Value of Opening stock in - Cost Records	Rs.	52,600/-
Value of Closing stock in – Cost Records	Rs.	52,000/-
Value of Closing stock in – Financial Accounts	Rs.	49,600/-
Provision for doubtful debts	Rs.	150/-
Preliminary expenses written off	Rs.	800/-
Interest charged in Cost Accounts	Rs.	6,000/-

Q.II. A From the details of XYZ Co. prepare three Process Accounts, Abnormal Loss Account & Abnormal Gain Account for the year ending 31.03.2014 - (15)
Purchases of 1,000 quintals of input @ Rs. 500/- per quintal.

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Particulars	Crushing (Rs.)	Refining (Rs.)	Finishing (Rs.)
Cost o Labour	6,600	3,000	3,000
Electric Power	1,000	500	400
Material	700	200	
Repairing of Machinery	500	400	400
8 team	250	150	100
Other Factory Expenses Rs. 9,450/- to be charged 75% of wages	-	-	
Cost of Caskets	-	-	580

Normal loss in 1st process was 30% of input & actual output is 690 quintals.
Process II has sale of byproduct 90 quintals value Rs. 6,200/-
Process III, Normal loss is 5% & actual output 580 quintals.
Only scrap of 1st process realized Rs. 10/- per quintals.

OR

B. From the details of A Ltd, prepare three Process Accounts and three Stock Account for the year ending 30.09.2014' - (15)
Wastage incurred Process A, B & C as 2%, 5%, & 10% respectively.
Scrap Value of it is Process A & B Rs. 5/- per 100 units & C.
Process is Rs. 2/- per unit.
20,000 units of input was introduced in Process A for Rs. 8,000/- & its other details are –

Particulars	Process A	Process B	Process C
Material consumed	4,000/-	1,500/-	1,000/-
Direct labour	6,000/-	4,000/-	3,000/-
Manufacturing expenses	640/-	225/-	2,405/-
Output	19500 Units	19,250 Units	15,900 Units
Finished Stock Opening Closing	2,000 Units 1,500 Units	3,000 Units 4,000 Units	5,000 Units -

Opening stock is value at Re. 1, Rs. 1.50 & Rs. 1.80 respectively.

Q.III. A A Contractor relates to a Contract of Rs. 75,00,000/-. The following are the details for three year ending 31st December each year. (15)

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Particulars	2012 (Rs.)	2013 (Rs.)	2014 (Rs.)
Material	9,00,000	11,00,000	6,30,000
Wages	8,50,000	11,50,000	8,50,000
Direct Expenses	35,000	1,25,000	45,000
Indirect Expenses	15,000	20,000	-
Work certified	17,50,000	56,50,000	75,00,000
Work uncertified	-	1,00,000	-
Plant issued	1,00,000	-	-

The value of plant at end of the year is Rs. 80,000/-, Rs. 50,000/- & Rs. 20,000/- Respectively.

Prepare the three years Contract Account and Extract Balance Sheet of 2013.

OR

B. B Contractor obtains a contract for Rs. 15,00,000/-. The Contractee agree to pay 90% of the value of work done as certified : (15)

The Contract started on 1st May, 2012 & a plant costing Rs. 20,000/- was bought for it. The value of plant at the end of each year was Rs. 16,000/- Rs. 10,000/- and Rs. 4,000/- respectively. The work done & certified at the end of first two year was Rs. 3,50,000/- and Rs. 11,50,000/- respectively. Work of Rs. 20,000/- was at the end of 2014 was not certified.

Other details were –

Particulars	2012 (Rs.)	2013 (Rs.)	2014 (Rs.)
Material sent to the site	1,80,000	2,20,000	1,26,000
Wages	1,70,000	2,30,000	1,70,000
Direct expenses incurred	7,000	25,000	9,000
Indirect expenses incurred	3,000	4,000	-

Prepare Contract Account for all the three years.

Q.IV. A. What you understand by Standard Costing.
Distinguish between Standard Cost & Budgetary Control. (7)

B. Compute Material Price Variance, Material Cost Variance & Material usage Variance, from the following information of a Product made up of Material A, B & C for the year ending 30.06.2014 of LM Ltd - (8)

N03AEX

Material	Standard price	Standard Weight/Unit	Actual usage	Actual Price
A	Rs. 10/-	2	72	Rs. 12/-
B	Rs. 1/-	4	108	Rs. 1/-
C	Rs. 5/-	3	126	Rs. 4/-

OR

A. Give the meaning of word Insurance, Insurance Policy & Insurance Company (7)

B. Find the amount of claim with the Insurance Company with following information : (8)

Particulars	2013 (Rs.)	01/01/2014 to date of fire (Rs.)
Opening Stock	40,000	-
Purchases less Returns	90,000	60,000
Sales Less Returns	1,30,000	84,000
Wages	6,000	4,000
Closing Stock	50,000	-

During the year 2013 closing stock included goods purchased but not recorded Rs. 5,000/-. The salvage was valued Rs. 9,000/-. The amount of policy was Rs. 34,000/-. There was an average clause. The firm closes its books on 31st December.

Q.V Write shorts note on (Any three) : (15)

1. Budgeting
2. Operating Costing
3. Cash Budget
4. Cost Sheet
5. Sales Budget
6. Value Analysis

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