CODE : MANILA

Time : 2 Hrs. **Marks : 60**

Instructions :- Answers all questions Figurs to the right indicate full marks.

Q.1 Product X is obtained after it is processed through three district processes. The following information is available for the month of March-2005. **15**

Particulars	**Processes**		
	A	**B**	**C**
Materials consumed (Rs)	10,400	8,000	4,100
Direct labour (Rs)	9,000	14,720	5,600
Production overheads (Rs)	?	?	?

2000 units @ Rs.4 per unit were introduced in Procese A. Production overheads to be distributed as 100% on direct labour. The actual output & other details are :-

Processes	**Output (Units)**	**Normal Loss on input**	**value of Scrap per unit (Rs)**
Process A	1800	10%	2
Process B	1360	20%	4
Process C	1080	25%	5

There is no stock or work-in-progress in any process, you are required to prepare process accounts-

OR

Q.1 The expenses for budgeted production of 10,000 units in a factory are furnished below:- **15**

Particulars	**Cost per unit (Rs)**
Direct material	70
Direct labour	25
Direct Variable expenses	5
Variable production overheads	20
Fixed production overheads	10
Selling expenses [10% fixed]	13
Distribution expenses [20% fixed]	7
Administration expenses [100% fixed]	5
	155

Q.2 The following data have been extracted from the books of Beta Ltd. **15**

year	Sales(Rs)	Profit (Rs)
2002	5,00,000	50,000
2003	7,50,000	1,00,000

Calculate :-

1) P/v ratio
2) Break-even sales
3) Profit made when sales are Rs.4,00,000
4) Sales required to earn profit of Rs. 1,25,000
5) Margin of safety at profit of Rs.1,50,000

OR

Q.2 The following is the summary of trading & profit and Loss account of X Ltd. for the year ended 31.3.98 **15**

	Rs.		Rs
To Direct material	1,50,000	By Sales [8000 units]	4,00,000
To direct wages	80,000	By closing stock	
To works expenses	55,000	of finished goods {500 units}	19,000
To office expenses	35,000		
To Selling &		By closing stock of	
distribution expenses	45,600	work in progress	9,900
To preliminary		By interest and	
expenses written off	4500	dividend received	1,600
To Net Profit	60,400		
	4,30,500		**4,30,500**

On going through the costing records you discover that :-

a) The factory expenses have been allocated at 25% on prime cost.
b) Administration and office expenses have been charged at Rs.4 per unit produced.
c) selling & distribution expenses have been charged at Rs.5 per unit sold.

you are required to prepare

i) Cost sheet for the year ended 31.3.98
ii) Reconciliation statement.

CODE : MANILA

Q.3 From the following particulars, prepare a cost sheet showing the components of total cost and profit for the year ended 31.3.2004 **15**

Particulars	Rs.
Stock of finished goods on 1.4.2003	6,000
Stock of finished goods on 31.3.2004	15,000
Stock of raw materials on 1.4.2003	40,000
Stock of raw materials on 31.3.2004	50,000
Stock of work in progress on 1.4.2003	15,000
Stock of work in progress on 31.3.2004	10,000
Purchase of raw materials	4,75,000
Carriage inwards	12,500
wages	1,75,000
works manager's salary	30,000
Factory employee's salaries	60,000
Factory rent and insurance	7,250
Power	9,500
Other factory expenses	43,000
sales	8,60,000
Purchase of computers	15,000
Purchase of plant & machinery	20,000
selling expenses	16,000
General expenses	32,500

OR

Q.3 Sunlight Ltd. furnishes you with the following informatiuon about its 1000 TV sets manufactured and sold during the year. **15**

particulars	Rs
Direct material	18,00,000
Direct wages	10,00,000
Power & stores	2,40,000
Indirect wages	3,00,000
Factory lighting	1,20,000
Cost of rectifying defective work	60,000
office and administration expenses	6,80,000
Selling & distribution expenses	1,20,000
sale of scrap	40,000
Repairs and depreciation of machinery	2,00,000
Sale of 1000 TV Sets	62,00,000

Prepare the cost sheet for the above year, showing the elements in total and per unit,

ii) Prepare also the estimated cost sheet for the next year assuming that :-

a) material cost and direct wage cost will increase by 10% and 15% respectively.

b) Factory overheads will be recovered as a paercentage of direct wages as last year.

c) office overheads and selling overheads will be recovered as percentage of works cost as last year.

d) 1500 TV sets will be produced and sold at Rs.6600 each in next year.