Q1. Attempt ANY TWO Questions: (15)

a) Product H is obtained after it is processed through two distinct Processes
The following cost information is available for the operation.

Process	K	N
Material	10,400	4,000
Direct Wages	9,000	14,720

2000 units @ Rs.4/- per unit were introduced in Process K. Production overheads are absorbed as 100% of Direct Wages. The actual output and normal loss of the respective process are:

Process	Output in units	Normal loss on input(%)	Value of scrap per unit(Rs)
Process K	1800	10%	2
Process N	1360	20%	4

There is no work in progress in any process. Prepare all Process Account.

b) On 31st October 2015 M/S Ajay Contractors undertook a contract for building a bridge for Rs. 6,00,000. The following information is available in respect of this contract for the accounting year 31st December 2015:

Particulars	Amount(Rs.)
Work Certified	1,20,000
Wages paid	45,000
Materials Supplies	60,000
Other Expenses	9000
Plant supplied on 1st October 2015	60,000
Uncertified Work	3000
Closing stock of materials	2400
Outstanding wages	2400

Provide depreciation @10% on plant. Prepare Contract A/C in the books of M/S Ajay

c) Explain how cost of materials in a contract is computed

Q2. Attempt ANY TWO Questions: (15)

a) A chemical industry makes a Chemical "Z". The Standard material cost required for making 200units of output is as follows:

Material	Quantity(kgs)	Price per kg(Rs.)
P	50	12
Q	100	9

During April 2015, 8000 units were produced and the actual cost incurred is as follows:

Material	Quantity(kgs)	Total Cost(Rs.)
P	2100	28,350
Q	3750	30,750

Calculate All Material Variances

b) The following is gathered from the labour records of Amit & Co.
Following standard details are given for 1 unit of production:

Labour	Time(in hrs)	Rate per hour(Rs.)
Men	1	2
Women	2	6

During January 2015 actual production was 25,000 units and following are the details:

Labour	Time(in hrs)	Rate per hour(Rs.)
Men	25,000	2.70
Women	50,500	7.75

Calculate All Labour Variances

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c) Calculate i) Material Cost Variance ii) Material Quantity Variance iii) Labour Cost variance iv) Labour Rate Variance v) Labour Efficiency Variance

Following are the standard details to produce 1 unit of a product:

Material - 6 kg @ Rs.4 per kg

Labour- 4hours @ Rs.4 per hour

Actual Production for the month February 2015 was 1250 units:

Material- 7800 kgs @ 4.5 per kg

Labour- 4800 hours @ Rs.3.5 per hour

Q3. Attempt ANY TWO Questions: (15)

a) Define Errors and explain the different types of errors
b) Write a short note on Window Dressing
c) Explain the Principles of Audit

Q4. Attempt ANY TWO Questions: (15)

a) How would you vouch Cash Sales
b) Explain the points to be considered while vouching an expense or income
c) How would you verify Accounts Receivables

Q5. Case Study: (15)

Mars Ltd. commenced a contract on 1st April 2013. The total Contract price was Rs.35,00,000 and it is likely to be completed on 31st December 2014. The Actual Expenditure upto 31st March ,2014 and subsequent estimated expenditure upto 31st December,2014 are given below:

Particulars	Actual Expenditure	Estimated Expenditure
Materials Issued	9,60,000	6,29,000
Direct labour	4,40,000	3,20,000
Direct Expenses	20,000	30,000
Sub Contract Charges	1,20,000	1,70,000
Plant Purchased	3,00,000	-
Plant Returned to stores At the end of period(original cost)	1,00,000	2,00,000
Architect fees	40,000	68,000
Materials at site	40,000	-
Work Certified(Cumulative)	20,00,000	35,00,000
Work Uncertified	50,000	-
Cash Received	16,00,000	19,00,000

Depreciate plant @ 20% p.a. on original cost. You are required to prepare Contract A/C for the year ended 31st March, 2014 and Estimated Contract A/C for year upto 31st December, 2014