(1)

OP3AFF

SYB I

Cost. Accounting

Time: 2 ½ Hours | Marks 75

Note: All questions are compulsory; subject to internal choice.

Q1 (A) Match the columns: 05

Column A	Column B
a. Audit fees	1. Selling & distribution overheads
b. Show room rent	2. Office & administrative overheads
c. Depreciation on plant	3. Works/factory overheads
d. Direct wages	4. Indirect cost
e. Carriage outwards	5. Direct cost

Q1 (B) From the information given below prepare cost sheet for the year ended 31-3-2014 10

Particulars	Amount	Particulars	Amount
Material consumed	125,000	Direct wages	55,000
Indirect factory expenses	35,000	Office expenses	19,000
Selling expenses	16,000	Sales (150,000 units)	300,000

The normal output of the factory is 270,000 units. Factory expenses of a fixed nature are Rs. 18,000. Office expenses are for all fixed purposes. Selling expenses are constant to the extent of Rs. 3000 and balance varies with sales.

Q2. Milk product passes through three processes and 30,000 units were introduced in Process A. The following further information is available: 15

Particulars	Process A	Process B	Process C
Material consumed	50,000	4,000	2,000
Direct Labour	8,000	8,000	8,000
Direct expenses	1,920	5,600	4,200
Output (units)	28,000	27,000	24,000
% of Normal wastage	5%	5%	10%
Scrap sale price (per unit)	0.20	0.30	0.40

Prepare process accounts, normal loss account, and abnormal loss/gain accounts.

OR

Q2. DRP Ltd. Undertook a contract for erecting a plant for municipal corporation for total value of Rs. 34,00,000. It was expected that the contract would be completed by 31-01-2014. You are required to prepare a contract account for the year ended 31-01-2014 from the following:

Particulars	Amount
Wages	8,00,000
Special plant	2,00,000
Material sent to site	5,00,000
Overheads	1,20,000
Material lying at site	80,000
Work certified	19,00,000

Depreciation at 10% to be provided on plant. 70% of the work certified was received in cash. 5% of material issued and 6% of the wages may be taken which have been incurred for the portion of work completed but not yet certified. Ignore depreciation on plant for use on uncertified portion of work. Overheads are charged as a % of direct wages. 15

Q3. Mr. Gupta runs a tempo services in the Sikkim State and has two vehicles. From the following data, you are required to compute the cost per running KM. 15

Information	Vehicle A	Vehicle B
Cost of vehicle	250,000	150,000

Cost · Accounting

SYBI

OP3AFF

Road fees per year	7,500	7,500
Supervision (yearly)	18,000	12,000
Driver's wages per hour	4.00	4.00
Cost of fuel per liter	1.50	1.50
Repair per KM	1.50	2.00
Tyres cost per KM	1.00	0.80
Garage rent per year	16,000	5,500
Insurance yearly	8,500	5,000
KMs run per liter	6	5
KMs run during the year	10,000	8,000
Estimated life of vehicles (in KM)	100,000	75,000
Average speed per hour	20km/hr	15km/hr

OR

Q3. Make out cash budget of GAP Ltd. for September to December 2015 from the following information: 15

Months	Sales	Purchases	Wages	Expenses
June	70,000	36,000	-	-
July	70,000	45,000	-	-
August	70,000	48,000	15,000	5,000
September	75,000	45,000	12,000	6,000
October	80,000	48,000	18,000	6,000
November	82,000	40,000	10,000	8,000
December	89,000	50,000	20,000	8,000

a. Cash and bank balance as on 31-8-2015 was Rs. 40,000.
b. Advance income tax paid in November Rs. 2,000.
c. Rs. 300 rent payable. 20% purchases and sales are on cash term.
d. Credit allowed to customer (sales) for 2 months, credit allowed by supplier (purchases) for 1 month and wages for ½ months.

Q4. From the following data calculate all material and labour variance: 15

Material consumed	Standard Quantity for one product		Actual production was 1400 units	
	Quantity (kg)	Rate per kg	Quantity (kg)	Rate per kg
A	12	15.00	19,000	15.50
B	8	10.00	11,200	10.00
C	6	8.00	10,500	7.50

Only one type of labour required for manufacturing a product. It takes 2 hours for manufacturing one product at rate of Rs. 60 per hour. Actual hour consuming for making 1400 units are 2800 hours @ Rs. 55 per hour.

OR

Q4 (a) What are the benefits of Total Quality Management 08

Q4 (b) What are the different resource planning systems used in a manufacturing company? 07

Q5. Write short notes on **(any 3)** 15

a. Budgetary control
b. Operating costing
c. Direct cost v/s indirect cost
d. Process for claim from insurance company
e. Utility of cost sheet