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Cost Acctg

TIME : 2 Hrs. MAX. MARKS : 60

Note : 1. All questions are Compulsory.
2. Figures on right in bracket indicates full marks.
3. Show a proper working note.

Q.I A Compare the words 'Cost', 'Costing' and 'Cost Accounting'. (8)
What do you understand by Cost Ascertainment.

B. Define 'Costing'. Compare Cost & Financial Accounting (7)

OR

Q.I A. Compare the words 'Cost Control', 'Cost Classification' and 'Cost Reporting' (8)
What do you understand by 'Costing'.

B. Define 'Cost'. Write the importance and objectives of 'Cost Accounting'. (7)

Q.II A. Classify the following items of cost & justify it - (8)

1. Carriage expenses on raw materials Rs. 3,000/-
2. Cost of buttons in Garment firm Rs. 12,000/-
3. Telephone Charges of Rs.1,000/-
4. Exhibition expenses of Rs. 5,000/-

B. Prepare a Cost Sheet of XYZ Ltd, as on 31.01.2014 from the following particulars (7)

Opening Stock of Direct Material	Rs. 61,700/-
Work in progress of beginning	Rs. 1,21,700/-
Purchase of Direct Materials	Rs. 2,86,500/-
Direct Wages	Rs. 3,57,000/-
Factory on cost	Rs. 1,99,000/-
Selling expenses	Rs. 70,000/-
Management on cost	Rs. 1,10,000/-
Sales	Rs.12,50,000/-
Closing stock of direct materials	Rs. 74,400/-
Closing work in progress	Rs. 1,35,600/-
Sale of scrap	Rs. 1,350/-
Carriage on direct materials	Rs. 5,950/-
Return of materials	Rs. 1,000/-
Indirect wages	Rs. 500/-

OR

Q.II.A. Details of ABC Co. for the year ending 31.12.2013- (15)
During the year 3600tons of Pineapple was consumed @ Rs. 1000/- per ton.
During the year 2,400 tons was produced.
Direct labour amounted to Rs. 825/- per ton produced.

Direct Expenses	Rs. 4,20,000/-
Telephone charges	Rs. 3,52,695/-
Office Computer Purchased	Rs. 2,75,350/-
Factory Rent & Insurance	Rs. 3,54,760/-
Machinery purchased	Rs. 4,25,560/-
Machinery Repairs	Rs. 98,847/-
Commission on Sales	Rs. 3,37,650/-
Factory salaries	Rs. 2,19,588/-
Carriage outward	Rs. 1,54,090/-
Packing expenses	Rs. 1,94,450/-
Bank interest	Rs. 1,65,895/-
Factory electricity	Rs. 2,61,880/-
Delivery van expenses	Rs. 1,06,850/-

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Coal Consumed	Rs. 3,80,125/-
Depreciation on Machinery	Rs. 2,49,600/-
Depreciation on Computer	Rs. 2,04,180/-
Depreciation on Delivery Van	Rs. 1,57,360/-
Office salaries	Rs. 1,89,325/-
Printing & Stationery	Rs. 1,13,000/-

- Sold to the State Government at a controlled price of Rs. 3,000/- per ton, 960 tons.
- The Company's profit target for the year, for fixing the open market selling price on the basis of Cost Sheet is 10% of its average paid-up capital of Rs. 1,42,56,000/-

Prepare a Cost Sheet on above details.

Q.III. From the following details of LMN Co. for the year ending 30.11.13, prepare a Reconciliation Statement to reconcile the profit or loss of the Financial & Cost Accounts - (15)

Net loss as per Cost Records	Rs. 1,72,400/-
Works overhead under recovered in Costing	Rs. 3,120/-
Administration overhead charged more in Costing	Rs. 1,700/-
Depreciation charges in financial accounts	Rs. 11,200/-
Depreciation in Cost Accounts	Rs. 12,500/-
Interest received	Rs. 8,750/-
Obsolescence loss in charged	Rs. 5,700/-
Provision for Income Tax	Rs. 40,300/-
Opening stock – Financial Records	Rs. 52,600/-
Opening stock – Cost Records	Rs. 54,000/-
Closing stock – Financial Records	Rs. 52,000/-
Closing Stock – Cost Records	Rs. 49,600/-
Interest charges in Cost Accounts only	Rs. 6,000/-
Preliminary expenses w/o.	Rs. 950/-

OR

Q.III. In a factory works overhead are absorbed at 60% of labour cost, office overheads are 20% of work cost & closing is 10% of cost of production. (15)

Total expenditure consist of :-

Material	Rs. 2,00,000/-
Wages	Rs. 1,50,000/-
Factory Expenses	Rs. 1,00,000/-
Office Expenses	Rs. 85,000/-
10% of the output is stock at end and sales is	Rs. 5,20,000/-

Output is 4,50,000

Prepare relevant accounts and reconciliation statement of PQR Co. with above details for the year ending on 30.01.2013.

Q.IV. ST Co. gives the details & you are required to compute the following : (15)

Profit Volume Ratio, Break-even, Point, Profit when sales is Rs. 2,00,000/- Sale required to earn a profit of Rs. 40,000/- and Margin of safety for both the years.

Given : Sale : 1^{st} year of Rs. 2,40,000/- & 2^{nd} year Rs. 2,80,000/-

: Profit : 1^{st} year Rs. 18,000/- & 2^{nd} year Rs. 26,000/-

OR

Q.IV. K ltd, produces & sales a single article at Rs.10/-. The marginal cost of production for the year is Rs. 6/- each & fixed cost is Rs. 400/- per annum. You are required to compute – Profit volume, ratio, the break-even sales, the break-even point, the sales to earn a profit of Rs. 500/-, Profit at Sales of Rs. 3,000/- and new Break-even point if sales price is reduced by 10%. (15)

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