Seat No. : _______________

SA-106

September-2020

Integrated .B.Com., Sem.-IV

207 : Corporate Financial Statement (Cost Accounting)

Time : 2 Hours] **[Max. Marks : 60**

Instructions : (1) **All** questions carry equal marks.
(2) Answer any **three** questions from the following.

1. What is cost accounting ? Explain advantages and limitations of cost accounting. Explain any three techniques of cost accounting. **20**

2. (a) Write difference between cost accounting & financial accounting. **12**
   (b) Explain scope of cost accounting. **8**

3. Rupa Ltd. produced and sold 10,000 units 'walkman' at its 50% production capacity during 2019. The particulars are as under. Selling price per unit is ₹ 984. **20**

Particulars	₹
Materials	10,00,000
Direct wages	5,00,000
Direct expenses	2,00,000
Factory overheads (40% of variable)	10,00,000
Office overheads (fixed)	8,00,000
Selling overheads (30% of variable)	6,00,000
Total cost	41,00,000

During the year 2020 production will be 20,000 units and sales will be 12,000 units. The additional information as under:

(1) Direct material per unit will go up by 20%.
(2) In addition to the proportionate increase in number of workers another additional wages of ₹ 2,00,000 is to be paid.
(3) Factory expenses (variable and fixed) will increase by 10%.
(4) Office expenses will increase upto ₹ 10,00,000.

(5) Variable selling expenses will rise by ₹ 4 per unit.

(6) Fixed selling expenses will go up by ₹ 60,000.

(7) The percentage of profit on cost is to be maintained according to previous year.

From the above information, prepare the following statement :

(1) Statement of cost per unit and total cost of 2019.

(2) Estimated cost statement of 2020.

4. Trading and profit & loss a/c of Kavita Traders for the year ended 31-12-2019 as under : **20**

Trading & P & L A/c

Particulars	**₹**	**Particulars**	**₹**
To material	4,00,000	By sales	9,60,000
To wages	2,00,000	By closing stock of finished goods (8000 units)	1,60,000
To factory overhead	80,000	To working progress :	
To gross profit	4,80,000	Material 20,000	
		Wages 12,000	
		Factory expenses 8,000	40,000
	11,60,000		**11,60,000**
To office overhead	1,35,000	By gross profit	4,80,000
To selling overhead [₹ 14 unit sold]	1,68,000	By dividend received	8,000
To goodwill written off	20,000	By interest received	12,000
To debenture interest	33,000		
Net Profit	1,44,000		
	5,00,000		**5,00,000**

In cost accounts :

- Materials and wages are calculated at actual cost.
- Factory expenses are 10% of prime cost.
- As compared to cost accounts office expenses are 10% less and selling expenses are 20% more in financial accounts.

Prepare :

(1) Statement of cost.

(2) Reconciliation statement of profit & loss.

5. (A) Prepare Reconciliation statement from the following information : **12**

Particulars	₹	Particulars	₹
To direct material	10,00,000	By sales	27,50,000
To direct wages	2,50,000	By closing stock	4,75,000
To factory overhead	3,25,000		
To gross profit	16,50,000		
	32,25,000		**32,25,000**
To office overhead	6,25,000	By gross profit	16,50,000
To selling overhead	10,87,500	By dividend received	1,50,000
To bad debts	40,000	By interest received	50,000
To preliminary expenses	37,500		
To legal charges	12,500		
Net profit	47,500		
	18,50,000		**18,50,000**

Particulars	₹
Direct materials	10,00,000
+ direct labour	2,50,000
Prime cost	12,50,000
+ factory overhead	2,50,000
Factory cost	15,00,000
+ office overhead	8,00,000
Cost of production	23,00,000
– Closing stock of finished good	5,75,000
Cost of production sold	17,25,000
+ selling and distribution overhead	10,20,000
Total cost	27,45,000
+ profit	5,000
Sales	27,50,000

(B) Give a specimen reconciliation statement with imaginary figures, showing profit and loss of cost and financial account. **8**

6. (A) From the following information calculate : **12**

- p/v ratio
- Break even point
- Profit on sales of ₹ 15,00,000
- Sales when loss is ₹ 80,000
- Margin of safety for the year 2019-20

Year	**Cost (₹)**	**Profit /loss (₹)**
2018-19	8,20,000	– 20,000 loss
2019-20	11,20,000	+ 80,000 profit

(B) The profit volume ratio of K.D. Ltd. is 50% and margin of safety is 40%. If the sales are ₹ 12,00,000, find out break even point and net profit. **8**