

Instruction: Write Any Three Question.

Each question considers 20 mark.

Q.1 What is cost accounting? Explain advantages and limitations of cost accounting. write difference between cost accounting and financial accounting.

Q.2[A] From the following information calculate:

- p/v ratio
- break even pint
- profit on sales of Rs.30,00,000
- sales when loss is Rs.1,60,000
- margin of safety for the year 2019-20

Year	Cost [Rs.]	Profit / loss [Rs.]
2018-19	16,40,000	-40,000 loss
2019-20	22,40,000	+1,60,000 profit

[B] Explain Opportunity cost and Relevant cost.

Q.3 Nitesh Ltd. produced and sold 5,000 units 'walkman' at its 50% production capacity during 2020. The particulars are as under. Selling price per unit is Rs.492.

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Particulars	Rs.
Materials	5,00,000
Direct wages	2,50,000
Direct expenses	1,00,000
Factory overheads (40% of variable)	5,00,000
Office overheads (fixed)	4,00,000
Selling overheads (30% of variable)	3,00,000
Total cost	20,50,000

During the year 2020 production will be 10,000 units and sales will be 6000 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 Rs. 1,00,000 is to be paid.
3. Factory expenses (variable and fixed) will increase by 10%.
4. Office expenses will increase upto Rs. 5,00,000.
5. Variable selling expenses will rise by Rs.2 per unit.
6. Fixed selling expenses will go up by Rs. 30,000.
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 2020.
- (2) Estimated cost statement of 2021.

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

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Trading & P&L A/c

Particulars	Rs.	Particulars	Rs.
To material	10,00,000	By sales (90,000 units)	23,00,000
To wages	3,00,000	By Finished stock	
To factory overhead	1,70,000	(10,000 units)	2,00,000
To gross profit	10,30,000		
	<u>25,00,000</u>		<u>25,00,000</u>
To office overhead	80,000	By gross profit	10,30,000
To selling overhead	1,00,000	By dividend received	7500
To debenture interest	12,500	By share transfer fee	2500
To loss on sale of investments	7500		
To Donation	15,000		
To goodwill written off	10,000		
To income tax	15,000		
Net profit	8,00,000		
	<u>10,40,000</u>		<u>10,40,000</u>

During the year 1,00,000 units were produced and out of the 90,000 units are sold.

From the cost accounts following details are available:

- I. Material and wages are recorded at cost.
- II. Factory overhead are recorded at 70% of the wages.
- III. Office overheads have been charged at Re.1 per unit.
- IV. selling overheads have been charged at Re.1 per unit.

Prepare :

1. Statement of profit as per cost accounts

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2. A reconciliation statements

Q.5 Give a specimen reconciliation statement with imaginary figures. Showing profit and loss of cost and financial account.

Q.6 Give a specimen cost sheet with imaginary figures of various expenses in detail. Explain how an estimated cost sheet is prepared on that basis.

