

Integ. LL.B. Sem-4 Examination**IL-B.Com 207****Corporate Fin. Statement****April 2022****[Max. Marks : 60****Time : 2-00 Hours]**

Instruction: Write Any Three Question.

Each question considers 20 marks.

Q.1 what is cost accounting? explain advantages and limitations of cost accounting. write difference between cost accounting and financial accounting.

Q.2 (a) Dharmil Mfg. company Ltd. provides the following information relating to production:

Year	Total sales Rs.	Total cost Rs.
2020	12,00,000	10,80,000
2019	14,40,000	12,72,000

Calculate:

1. Profit volume ratio
2. Fixed expenses
3. Profit when sales are Rs.10,80,000
4. Sales when losses are Rs.24,000
5. Sales to earn profit Rs.2,40,000
6. Break-even profit

(b) explain opportunity cost concept.

Q.3 (a) The following figures relating to a factory:

Selling price per unit Rs. 80

Variable cost per unit Rs.50

Fixed cost per annum Rs 1,20,000

P. T. O.

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Find out break even profit by preparing break even chart.

- (b) p/v ratio 50%.
Margin of safety 40%.
Sales Rs.50,00,000.

Calculate break even point and profit on sales of Rs.50,00,000.

Q.4 harsh Ltd. produced and sold 2000 units mobile at its 50% production capacity during 2020. The particulars are as under.

Particulars	Rs.
Materials	20,00,000
Direct expenses	4,00,000
Direct labour	12,00,000
Office indirect expenses (fixed)	6,00,000
Factory indirect expenses (50% of variable)	8,00,000
Selling expenses (40% of variable)	4,00,000
sales	64,80,000

Estimate for the year 2021:

1. The output will be as its full production capacity.
2. 80% of the units produced will be sold.
3. Cost of raw materials and wages per unit will increase by 20% and 10% respectively.
4. Factory, office and selling distribution overheads (fixed) will increase by Rs.1,00,000, Rs.80,000 and Rs.40,000 respectively.
5. Variable selling expenses will increase by 25% per unit.
6. The rate of profit on cost will remain same as per the last 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.5 Trading and profit & loss a/c of vilasben Traders for the year ended 31-12-2021 as under:

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Trading & R&L A/c

Particulars	Rs.	Particulars	Rs.
To material	2,50,000	By sales (2000 units)	9,23,000
To direct labour	3,40,000	By Finished stock	
To factory overhead	2,20,000	(500 units)	1,37,000
To gross profit	3,00,000	By work in progress:	
		Materials 25,000	
		Direct wages 10,000	
		Factory expenses 15,000	50,000
	11,10,000		11,10,000
To office overhead	70,000	By gross profit	3,00,000
To selling overhead	15,000	By dividend received	15,000
To preliminary expenses	8,000	By rent received	10,000
To provision for income tax	7,000		
Net profit	2,25,000		
	3,25,000		3,25,000

The following information has been obtained on investigation of cost accounts:

- I. Material and wages are charged at actual cost.
- II. Factory expenses have been allocated to the production at 50% of wages.
- III. Office overheads have been charged at 10% of works cost.
- IV. selling overheads have been charged at Re.5 per unit sold.

Prepare:

1. cost sheet
2. A reconciliation statements

Q.6 (a) Give a specimen cost sheet with imaginary figures.

(b) Prepare Reconciliation statement from the following information:

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Trading & profit and loss account

Particulars	Rs.	Particulars	Rs.
To direct material	10,00,000	By sales	27,50,000
To direct labour	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

Cost sheet:

Particulars	Rs.
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

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cost of production sold	<u>17,25,000</u>
+selling and distribution overhead	10,20,000
Total cost	<u>27,45,000</u>
+profit	5000
Sales	<u>27,50,000</u>