

Integ LLB Sem.-2 Examination

ILBBA 109

Cost Accounting

May 2022

Time : 2-00 Hours]

[Max. Marks : 60

- There are six questions in the paper.
- Answer any three questions.

1. Explain the cost classification. 20
2. (A) Explain various costing techniques 10
(B) What is meant by cost accounting and give advantages of cost accounting. 10
3. Following is the Trading and profit & loss A/C of Shiv Ltd. for the year ended on 31st March, 2021 20

| Particulars | Amt ₹ | Particulars | Amt ₹ |
|--|------------------|--------------------------------|------------------|
| To direct material | 5,00,000 | By sales | 12,00,000 |
| To direct labour | 2,50,000 | By closing stock (4,000 units) | 2,00,000 |
| To Factory Expenses | 1,00,000 | By Work-in-progress | |
| | | Materials | 25,000 |
| To Gross Profit | 6,00,000 | Labour | 15,000 |
| | | Factory Expense | 10,000 |
| | 14,50,000 | | 50,000 |
| | | | 14,50,000 |
| To office expenses | 1,68,750 | By Gross Profit | 6,00,000 |
| To selling expenses (₹ 17.50 per unit sold) | 2,10,000 | By rent received | 10,000 |
| To interest paid | 25,000 | By interest received | 15,000 |
| To Goodwill written off | 41,250 | | |
| To Net Profit | 1,80,000 | | |
| | 6,25,000 | | 6,25,000 |

The cost data reveals following:

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

Prepare:

1. Cost sheet for the year ended on 31-3-21
 2. Reconciliation statement of net profit/loss as per financial and cost accounts.
4. The cost ledger of Rajan Ltd. showed the following balances at 1st April, 2021 : 20

| Particulars | Debit | Credit |
|------------------------------|-----------------|-----------------|
| Stores ledger control A/C | 1,50,000 | ---- |
| Work in progress control A/C | 2,52,000 | ---- |
| Finished goods control A/C | 1,08,000 | ---- |
| General ledger control A/C | ---- | 5,10,000 |
| | 5,10,000 | 5,10,000 |

The following transactions took place during the year ended March, 2022 :

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| | |
|--|-----------|
| Purchase of Stores | 10,80,000 |
| Stores issued to Production | 9,00,000 |
| Stores issued to works repair order | 90,000 |
| Productive wages | 5,40,000 |
| Unproductive wages | 1,80,000 |
| Carriage inwards | 60,000 |
| Factory overheads recovered, 75% of Prime Cost | |
| Factory expenses | 8,28,000 |
| Administration expenses | 4,80,000 |
| Admin.exp. absorbed by finished goods | 5,04,000 |
| Sales expenses | 4,20,000 |
| Sales expense recovered | 4,08,000 |
| Goods finished during the year | 24,00,000 |
| Cost of finished goods sold | 28,80,000 |
| Sales | 36,00,000 |

Prepare necessary accounts in the cost Ledger and Trial Balance for the year ended on 31st March, 2022.

5. The following particulars are obtained from the books of ABC Ltd. for the year ending on 31-03-2021 20

| | |
|---|---|
| Direct material | 1,50,000 |
| Direct wages | 80,000 |
| Direct expenses | 20,000 |
| Factory expenses (60% variable) | 60,000 |
| Office expenses | 30,000 |
| Selling and distribution expenses (20% fixed) | 40,000 |
| Production and sales | 2,000 units at the rate of ₹. 209 per unit. |

During the year ending on 31-03-2022; 5,000 units will be produced and sold. The additional information is as under:

1. Direct wages will increase by 10%
2. Fixed factory overheads will increase by ₹ 6,000
3. Office overheads and selling overheads will increase by 20%.
4. Rate of profit on cost will be same as in the year 2021.

Prepare:

(A) Statement of cost per unit and total cost for the year 2021.

(B) Estimated cost sheet of year 2022.

6. (A) Explain following : 10
- (1) General Ledger Adjustment Account
 - (2) Tender Price
- (B) Explain reasons for disagreement in profits as per financial accounts and cost accounts. 10