

Integrated LL.B. Sem.-2 Examination

IL BBA - 109

Cost Accounting

Time : 2-00 Hours]

July 2021

[Max. Marks : 60

Instruction: Attempt any three questions from the following.

Q.1 (A) Explain the objectives of Cost Accounting. (10)

(B) Write short notes on: (10)

(1) Advantages of Cost Accounting.

(2) Functional Classification of Overheads.

Q.2 (A) (14)

Minesh Company manufactures two types of calculators 'M 9' and 'M 10'. Production cost for the year ended as on 31st March 2021 were:

(1) Total production of both types of calculators was 19,500 units which was in proportion of 5: 8 for 'M 9' and 'M 10'.

(2) Material cost was ₹ 6, 30,000 and per unit cost for 'M 10' was 25% as that for 'M 9'.

(3) Direct Wages was ₹ 2, 94,000 and per unit cost for 'M 10' was 60% as that for 'M 9'.

(4) Direct Expenses was ₹ 1, 11,000 and per unit cost for 'M 10' was ₹ 3 and remaining expenses was for 'M 9'.

(5) Factory Overheads were ₹ 1, 56,000 and per unit expense was same for 'M 9' and 'M 10'.

(6) Office Overheads for each type of calculator was 20% of Prime cost.

(7) Selling Overheads for 'M 9' and 'M 10' was ₹ 9 and ₹ 6 respectively.

(8) Sales : 'M 9' : 7,000 units @ 150 per unit

'M 10': 11,800 units @ 65 per unit.

Prepare a Cost Sheet showing cost per calculator and total cost.

(B) (6)

Motera Electronics Ltd. Furnishes the following information for units produced and all units sold at a selling price of ₹ 126.40 per unit.

Particulars	₹
Direct Material	3,60,000
Direct Wages	2,40,000
Power & Consumable Stores	48,000
Lighting of Factory	22,000
Factory Indirect Wages	72,000
Depreciation of Plant	38,000
Office & Administration Expenses	1,34,000
Selling Expenses	22,000

Prepare Cost Sheet showing various elements of cost per unit.

Q. 3 (20)

Trading and Profit & Loss A/c. of DLF Traders for the year ended as on 31-3-2021 is as under.

Trading and P & L A/c.

Particulars	₹	Particulars	₹
To Materials	5,00,000	By Sales	12,00,000
" Wages	2,50,000	" Closing Stock of finished goods (4,000 units)	2,00,000
" Factory Expenses	1,00,000	" Work-in-progress:	
" Gross Profit	6,00,000	Material	25,000
		Wages	15,000

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		Factory Expenses	10,000	50,000
	14,50,000			14,50,000
To Office expenses	1,68,750	By Gross Profit		6,00,000
" Selling Exp. (₹ 17.5 per unit sold)	2,10,000	" Dividend received		10,000
" Goodwill written off	25,000	" Interest received		15,000
" Debenture interest	41,250			
" Net Profit	1,80,000			
	6,25,000			6,25,000

In Cost Accounts:

- (1) Material 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:

- (A) Statement of Cost
- (B) Reconciliation statement of profits as per Cost accounts and Financial accounts.

Q.4 (A)

(8)

The following details are provided by Maitrayee Manufacturing Co. Ltd for the year 2020.
Pass necessary journal entries.

Particulars	₹
Total Wages Paid	1,00,000
Wages of normal idle time allocated	4,000
Wages of abnormal idle time allocated	3,500
Wages allocated to production	50,000
Indirect wages of sales office allocated	5,000
Factory indirect wages allocated	30,000
Administration indirect wages allocated	7,500

(B)

(12)

The following particulars are obtained from books of Yash Ltd. for the year 2012.

Particulars	₹
Direct Material	5,02,000
Direct Wages	3,19,000
Direct Expenses	45,250
Works Overheads (2/5 th variable)	3,18,750
Office Overheads (Fixed)	1,80,000
Selling and Distribution Overheads (20% Fixed)	1,50,000
Production and sale during the year was 3,750 units @ ₹ 505 per unit	

For the year 2013, it is estimated that:

- (a) Direct material will increase by ₹ 102.50 per unit and Direct wages per unit will increase by 20%.
- (b) Fixed works overheads will increase by ₹ 18,750.
- (c) Variable selling and distribution expenses will increase by ₹ 7.50 per unit.
- (d) The rate of profit on cost will remain same as per the last year.
- (e) Production and sale for the year will be of 8,000 units.

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Prepare:

A statement of cost showing total as well as per unit cost for the year 2012 and statement of cost showing estimated profit for the year 2013.

Q. 5

(20)

Following balances have been taken from the cost ledger of Zenil company Ltd. as on 31-3-2020 .

Particulars	Debit ₹	Credit ₹
Stores Ledger Control A/c.	81,600	-----
Work in Progress Ledger Control A/c.	62,400	-----
Finished Goods Ledger Control A/c.	69,600	-----
General Ledger Control A/c.	-----	2,13,600
	2,13,600	2,13,600

Following were the transaction during the year 2020-21:

Particulars	₹
Purchase of Materials	3,60,000
Materials issued to production	3,36,000
Indirect Materials issued to production	7,200
Abnormal wastages of material	4,800
Direct wages	4,80,000
Indirect wages	36,000
Carriage inward	7,200
Actual factory Overheads paid	1,20,000
Factory overheads absorbed by production	1,56,000
Actual office expenses paid	24,000
Office expenses absorbed by finished goods	26,400
Actual sales expenses paid	9,600
Cost transferred to finished goods	9,16,800
Cost of sales	9,28,800
Sales	12,00,000

From the above information prepare necessary accounts in the cost ledger of the company and prepare Trial balance as on 31-3-2021.

Q. 6 Do as directed:

(20)

- From the following, which item is not shown in Cost Sheet?
 - Dividend Paid
 - Materials
 - Salary
 - Carriage Inward
- For normal loss of material, which account is debited?
 - Cost of sales A/c.
 - Stores ledger control A/c.
 - Costing P&L A/c.
 - Factory overheads A/c.
- Which of the following is a 'Period cost'?
 - Depreciation on machinery
 - Salary of office employee
 - Direct labour
 - All of the above
- Cost of sales is ₹ 2,70,000 and amount of profit is ₹ 30,000. State the percentage of profit on sales?
 - 10%.
 - 9%.
 - 11%
 - 12%.
- To which account the wages paid to the workers who had gone on strike are debited?
 - Cost ledger control A/c.
 - Costing P&L A/c.
 - Factory overhead A/c.
 - None of these
- Which one of the following is not a Costing technique?
 - Standard Costing.
 - Direct Costing.

- (C) Absorption Costing. (D) Process Costing.
- (7) Telephone bill is included in which of the following expenses?
 (A) Fixed expenses (B) Variable expenses
 (C) Semi-Variable expenses (D) None of the above
- (8) In cement industry which method of Costing is used?
 (A) Operating Costing. (B) Process Costing.
 (C) Unit Costing. (D) Contract Costing.
- (9) Which Cost unit will be used in paper mill industry?
 (A) Per Kg. (B) Tons.
 (C) 1000 Nos. (D) Gallons.
- (10) Which method of Costing is used for road-transport industry?
 (A) Batch Costing. (B) Operating Costing.
 (C) Process Costing. (D) Job Costing.
- (11) Which method of Costing would be employed in ship-building industry?
 (A) Process Costing. (B) Contract Costing.
 (C) Single Costing. (D) Operating Costing.
- (12) Which of the following accounts make the Cost ledger self-balancing?
 (A) Costing P&L A/c. (B) Cost ledger control A/c.
 (C) Overhead adjustment A/c. (D) None of the above.
- (13) Material of ₹70,000 are purchased and material worth ₹ 9,000 being defective are returned.
 Give entry in Cost books for the above transactions.
- (14) Under abnormal of factory overhead ₹12,000. Give entry in Cost books for the above transactions.
- (15) Financial accounts of Devam Ltd. reveal :
 Office overheads ₹ 1,65,000.
 Net profit ₹ 80,000.
 It is found that the office overhead shown in financial accounts are 10% more in comparison to Cost account.
 Find out the profit as per Cost accounts.
- (16) Direct materials + Direct labour + Direct expenses = Works Cost. (True / False)
- (17) Expenses relating to purchase of raw material is debited to _____ Ledger control account. (W.I.P / Stores)
- (18) Due to under recovery of overheads In Cost accounts the profit of the Cost accounts _____. (Increase /Decrease)
- (19) Notional rent is recorded in financial accounts. (True /False)
- (20) Closing stock is valued at factory cost. (True / False)

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