

1306E488

Candidate's Seat No : _____

BBA ITF (NEP) Semester 2 Examination

DSC-C-ITF 121

Cost Accounting

June-2024

Time : 2-00 Hours]

[Max. Marks : 50

Q.1. The following is the Balance sheet of M/s. Vishal Bros. as at 31-3-2023.

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Balance Sheet

| Liabilities | Rs. | Assets | Rs. |
|-------------------|---------------|----------------------------|---------------|
| Capital Accounts: | | Furniture | 10000 |
| A 50000 | | Machinery | 56000 |
| B 30000 | 80000 | Motor car | 15000 |
| General Reserve | 4000 | Stock | 10000 |
| Creditors | 10000 | Cash and Bank | 10000 |
| Bank loan | 12000 | Prepaid Expenses | 5000 |
| Bills payable | 8000 | Advertisement Suspense A/c | 8000 |
| | | | |
| | 114000 | | 114000 |

On 1-4-2023 Bajpayee Ltd. purchases the business on following conditions:

1. The purchase consideration was fixed at Rs.80000.
2. Purchase consideration is to be paid in 5000 Equity shares of Rs.10 each at a price of Rs.15 and the remaining amount to be paid in cash.
3. The company has not taken over motor car and bills payable.
4. The Machinery is valued at Rs.50000.
5. The remaining 5000 equity shares are issued by the company to the public at a premium of Rs.5 each.

Prepare its Balance sheet as on 31-3-2023.

OR

Q.1. Explain advantages and Limitations of Cost accounting.

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Q.2. The following particulars are obtained from the books of A Ltd. for the year 2022.

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| | |
|----------------------|------------|
| Production and sales | 1500 units |
| | Rs. |
| Direct Material | 201000 |

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| | |
|----------------------------------|--------|
| Direct Wages | 127500 |
| Direct Expenses | 18000 |
| Works Overheads (60% fixed) | 127500 |
| Office Overheads (Fixed) | 72000 |
| Selling Overheads (80% variable) | 60000 |
| Sales | 575600 |

For the year 2023, its estimated that:

1. The production and sales will be 4000 units
2. Direct wages per unit will increase by 20% and direct materials will increase by Rs.41.
3. Fixed works overheads will increase by Rs.7500.
4. Variables selling expenses will increase by Rs.3 per unit.
5. The rate of profit on cost will remain same as per the last year.

Prepare:

1. A statement of cost showing total as well as per unit cost and profit for the year 2022.
2. A statement of cost showing estimated profit for the year 2023.

OR

Q.2. XYZ Ltd has produced calculators in the 2022 at its 70% production capacity and sold all calculators at Rs.525000.

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The cost of per unit is as under:

| Expenses | Rs. |
|----------------------------------|-----|
| Direct materials | 150 |
| Direct wages | 100 |
| Other direct expenses | 50 |
| Factory overheads (75% variable) | 40 |
| Administrative overheads (Fixed) | 20 |
| Selling overheads (75% fixed) | 40 |
| Cost per unit | 400 |
| Profit | 100 |

For the next year 2023 it is estimated that:

1. The production and sales will be at 80% production capacity.
2. All variable expenses will increase by 10%.
3. All fixed expenses will increase by 20%.
4. The profit is estimated 24% on selling price.

Prepare: unit cost sheet for the year 2022. Estimated cost sheet for the year 2023.

Q.3. The Trading A/c and profit and loss A/c of ABC Ltd. is as under the year ending on 31/03/2022: 10

Dr. Trading & Profit and loss A/c Cr.

| Particulars | Rs. | Particulars | Rs. |
|-------------------------------------|---------------|-----------------------|---------------|
| To Materials | 40000 | By Sales (2700 units) | 100000 |
| To Direct wages | 24000 | By Closing stock | 8000 |
| To Manufacturing charges | 16000 | (10% of production) | |
| To Office charges | 14000 | By interest Received | 400 |
| To Selling distribution charges | 9000 | By Dividend Received | 400 |
| To preliminary expenses written off | 4000 | By Rent Received | 400 |
| To Goodwill written off | 200 | | |
| To Net profit | 2000 | | |
| | 109200 | | 109200 |

The cost accounts give following information:

1. Materials and wages are taken at their cost price.
2. Manufacturing charges are taken as 50% of wages.
3. Office overheads at 20% of factory cost.
4. Selling and distribution overheads at the rate of Rs.3 per unit.

Prepare:

1. Cost sheet
2. Reconciliation statement.

OR

Q.3. Following is the trading account and profit and loss account of PQ limited for the year ended on 31/3/2022: 10

| Particulars | Rs. | Particulars | Rs. |
|-----------------------------|----------------|-------------------------------|----------------|
| To Materials | 350000 | By Sales (2000 Units) | 813000 |
| To Direct Labour | 240000 | By Finished stock (500 Units) | 137000 |
| To Factory expenses | 110000 | By Work-in- Progress A/c : | |
| To Gross Profit C/d | 300000 | Materials 25000 | |
| | | Direct wages 10000 | |
| | | Factory expenses 15000 | 50000 |
| | 1000000 | | 1000000 |
| To Office expenses | 70000 | By Gross profit b/d | 300000 |
| To Sales expenses | 15000 | By Dividend received | 20000 |
| To Preliminary expenses | 4000 | By Rent received | 5000 |
| To Provision for income tax | 11000 | | |
| To Net profit | 225000 | | |
| | 325000 | | 325000 |

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

1. Materials and wages are charged at actual cost.

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2. Factory expenses have been allocated to the production at 50% of wages.
3. Office expenses have been charged at 10% of works cost.
4. Sales expenses have been charged at Rs.5 per unit, on units sold.

From the above information prepare:

1. Statement showing profit and loss as per cost account
2. Statement showing reconciliation of profit or loss as per cost account and financial accounts.

Q.4. The following balances appeared in the books of A Ltd. in cost ledger as on 1/04/2022:

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| Particulars | Dr.Rs. | Cr.Rs. |
|-----------------------------------|---------------|---------------|
| Stores ledger control A/c | 105000 | - |
| Work-in-progress A/c | 78400 | - |
| Finished goods ledger control A/c | 55800 | - |
| General ledger control A/c | - | 239200 |
| | 239200 | 239200 |

The following information are given for the year 2022-23.

| | Rs. |
|---|---------|
| Purchase of materials | 360000 |
| Materials issued to production | 393000 |
| Materials issued to repairs | 15000 |
| Wages – productive wages – 590000 Unproductive 25000 | 615000 |
| Carriage inward | 6000 |
| Production overhead | 140000 |
| Production overhead allocated to production | 179000 |
| Administration overhead | 18000 |
| Administration overhead recovered | 18400 |
| Cost of finished goods during the year | 1172000 |
| Cost of sales | 1200000 |
| Selling overheads | 13400 |
| Sales | 1400000 |

From the above information prepare necessary accounts in cost ledger and prepare trial balance as on 31/3/2023.

OR

Q.4. Explain Advantages and limitations of Non- Integrated Accounting System.

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Q.5. MCQ (Any 10 out of 12) (each 1 mark)

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1. The main objective of keeping Cost Accounts is-

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- A To determine the selling price
 - B To keep the control over expenses
 - C To get the information about the per unit cost
 - D All of the above
2. The total of works cost and administrative overheads is known as ____
- A Prime cost
 - B Cost of production
 - C Works cost
 - D Direct cost
3. In cost sheet the expenses on discount allowed are considered under ____ overheads.
- A Factory
 - B Office
 - C Selling and distribution
 - D None of the above
4. _____ is the first and most important element of cost
- A Expenses
 - B Labour
 - C Materials
 - D None of the above
5. Which one of the following is not considered for preparation of cost sheet?
- A Factory cost
 - B Goodwill written off
 - C Selling cost
 - D Labour cost
6. Which of the following accounts is given the main emphasis under non- integrated system?
- A Real account
 - B Personal account
 - C Nominal accounts
 - D All of these

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7. Issue of material is credited to
- A Stores ledger control A/c
 - B WIP Control A/c
 - C Overheads control A/c
 - D Cost ledger accounts
8. Total cost plus profit is
- A Sales
 - B Cost of sales
 - C Cost of production
 - D Work cost
9. The reconciliation of cost and financial profit can be done by preparing
- A Profit and loss account
 - B Reconciliation statement
 - C Trail balance
 - D Balance sheet
10. The value of goodwill is found out in the purchase of business by applying the following formula
- A Purchase price – Net Assets
 - B Net Assets – Purchase Price
 - C Purchase Price – Total Assets
 - D Total assets – purchase price
11. Pukar ltd. has taken over Gargi Bros. sundry assets are Rs. 1000000 and the value of goodwill is Rs. 100000. Other sundry liabilities are Rs.800000. then the purchase price of the business will be-
- A Rs.200000
 - B Rs.250000
 - C Rs.350000
 - D Rs.300000
12. Total assets of a firm are RS.640000. total liabilities are Rs.90000. purchase price is determined at Rs.480000. then what it would be?
- A Goodwill
 - B Capital reserve
 - C Goodwill and capital reserve both
 - D None of the above

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