

IMBA 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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Figure 2

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.

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- 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
	<u>239200</u>	<u>239200</u>

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. **10**

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

1. The main objective of keeping Cost Accounts is-
 - 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
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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