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Candidate's Seat No :________

Integ. LLB Semester-4 Examination

ILBCom 207

Cost Accounting-II

Time : 2-30 Hours] **April-2024** **[Max. Marks : 70**

Q.1 Explain the methods of cost accounting and state the industries to which they are applicable. (18)

OR

Q.1(a) State difference between Cost accounting and Financial accounting. (10)

Q.1 (b) Write a short note on advantages and limitation of Cost accounting. (8)

Q.2 The profit and loss account of Paras Co. Ltd. for the year ending 31st march,2023 is set out below. (18)

Profit and loss account

Particulars	Rs.	Particulars	Rs.
To opening stock (finished stock 2400 units)	2,88,000	By sales (30000 units)	52,80,000
" Raw material consumed	19,20,000	" Closing stock (finished stock 4,400 units)	5,28,000
" Direct wages	9,60,000		
" Manufacturing expenses	6,40,000		
" Gross profit c/d	20,00,000		
	58,08,000		58,08,000
To Office rent	80,000	By gross profit b/d	20,00,000
" Salary	1,80,000		
" Other Administrative charges	60,000		
" Selling-distribution expenses	3,60,000		
" Net profit	13,20,000		
	20,00,000		20,00,000

The company will produce and sell 48,000 units during 2023-2024. The estimates for charges in various items are as follow:

1) Price of material will go up by 20%.
2) In addition to the proportionate increase in number of workers, 48 new workers will have to be engaged and each of them will be paid Rs.6000 p.a. as wages.
3) Manufacturing expenses will rise in proportion to be combined cost of material and wages.
4) The administration expenses per unit will be reduced by 20%.
5) Selling and distribution expenses per unit will go up by Re.1 per unit.

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6) The same percentage of profit on selling price is to be maintained.

Prepare cost statement for the year 2023-2024 on the basis of the above information.

OR

Q.2 (a) Shital Ltd. produced and sold 10,000 'walkman' at its 50% production capacity during 2023 .The particulars are as under. Selling price per unit is Rs.492 (10)

Particulars	**Rs.**
Materials	10,00,000
Direct wages	5,00,000
Direct expenses	2,00,000
Factory overheads(40% of variable)	10,00,000
Office overheads (fixed)	8,00,000
Selling overheads(30% of variable)	6,00,000
Total cost	**41,00,000**

During the year 2024 production will be 20.000 units and sales will be 12000 units. The additional information as under :

1. Direct material per unit will go up by 20%.
2. In addition to the proportionate increase in number of workers another additional wages of Rs. 2,00,000 is to be paid.
3. Factory expenses(variable and fixed) will increase by 10%.
4. Office expenses will increase upto Rs. 10,00,000.
5. Variable selling expense will rise by Rs. 2 per unit.
6. Fixed selling expenses will go up by Rs. 60,000.
7. The percentage of profit on cost is to be maintained according to previous year.

From the above information, prepare the following statement:

(1) Statement of cost per unit and total cost of 2023.

(2) Estimated cost statement of 2024.

Q.2(b) Give specimen cost sheet with imaginary figures of various expenses in details. Explain how can estimated cost sheet is prepared on that basis. (8)

Q.3 The following details are available from financial accounts of Pooja Ltd for the year ended on 31-3-2023. (18)

Particulars	**Rs.**
Direct Material	7,50,000
Direct Wages	3,00,000
Factory overheads	11,40,000

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Office overheads	7,50,000
Selling and Distribution overheads	14,40,000
Bad debts	60,000
Preliminary expense written off	30,000
Legal expenses	15,000
Interest on bank deposit received	30,000
Dividend received	1,50,000
Work in progress (at Factory cost)	2,40,000
Closing stock (80,000 units)	3,60,000
Sales (2,40,000 units)	21,00,000

In Cost Accounts-

(1) Materials consumption Rs. 8,40,000.

(2) Factory overheads are charged at 20% on prime cost.

(3) Administration Overheads are charged at 4.50 per unit of production.

(4) Selling & distribution overheads are charged at 6 per unit sold.

Prepare :

(1) Cost sheet

(2) Financial Profit and Loss A/c

(3) Statement reconciling the profit or loss

OR

Q.3 (b) Shital ltd. furnishes Trading and Profit and loss account for the year ended on 31-3-2020: (10)

Particulars	In cost Accounts Rs.	In Financial Account Rs.
Opening stock of finished goods	1,06,000	1,10,000
Closing stock of finished goods	1,00,000	94,000
Factory overheads	1,20,000	1,00,000
Office overheads	1,00,000	90,000
Selling and distribution overheads	80,000	92,000
Debenture interest paid	-	10,000
Preliminary expenses written off	-	20,000
Income tax paid	-	1,00,000
Interest received	-	12,000
Commission received	-	6,000
Profit	7,04,000	(?)

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From the above details, prepare: A Reconciliation statement.

Q.3 (b) Give a specimen Cost sheet with imaginary figures of various expenses in details. (8)

Q.4 (a) The following is the information business of Nilam Ltd : (10)

Particulars	Total sales Rs.	Total Cost Rs.
2022	12,00,000	10,80,000
2023	14,40,000	12,72,000

From the above information, calculate:

I. Profit / Volume Ratio.
II. Fixed expenses.
III. Profit when sales are Rs. 10,80,000
IV. Sales to earn profit of Rs. 2,40,000.
V. Sales when losses are Rs. 24,000
VI. Break - even point

OR

Q.4(a) Explain the following terms related to decision making (any 5) (10)

a. Notional cost

b. Joint cost

c. sunk cost

d. Opportunity cost

e. Avoidable cost

f. Relevant cost

g. Incremental cost

Q.4(b) MCQS (6)

1. in a cost sheet, inocome tax and donations are inculded in which cost of following?
   A. Factory overhead
   B. Selling overhead
   C. Administrative cost
   D. None of the above
2. 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
3. Goodwill written off is recorded in-
   A. Cost accounts
   B. Financial a/c
   C. Financial a/c and cost a/c
   D. None of the above

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4. Contribution =
   A. Selling price + variable cost
   B. Selling price - variable cost
   C. Fixed cost + variable cost
   D. Selling price – fixed cost -variable cost
5. the costing method which shows relationship between cost, sales volume and profit is called:
   A. break even point
   B. cost-volume – profit analysis
   C. margin of safety
   D. contribution
6. if p/v ratio is 60%, margin of safety is 30% and sales is Rs.15,00,000 the profit will be as under:
   A. Rs.6,00,000
   B. Rs.4,50,000
   C. Rs.1,80,000
   D. Rs. 2,70,000

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