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2304E336

Candidate's Seat No : _____

IM.B.A. in (BI/APR) (NEP) Sem.-4 Examination

APR-DSC-C-ACA-241

A.C.A.

Time : 2-00 Hours]

April-2025

[Max. Marks : 50

- Instructions :** (1) This paper contains **Five** questions.
(2) All questions are compulsory.
(3) Question No. **1, 2, 3, 4** have internal options.
(4) Figures in the right side in parenthesis indicate marks.

Q:1 Identify the type of costs involved in the following cases by giving reason for the same. Also explain the cost in short: **(10)**

1. TechNova Solutions spent ₹10,00,000 on developing a mobile application, but due to a change in market trends, they decided to discontinue the project.
2. DineWell Restaurant pays ₹50,000 as rent every month, irrespective of the number of customers served.
3. Precision Manufacturing Ltd. pays electricity charges, where ₹5,000 is the minimum charge, and the rest varies with machine usage.
4. InfoTech Solutions provides a shared internet facility for all employees, but it is difficult to determine the internet cost used by each individual.
5. SwiftGears Ltd. pays wages to its workers based on the number of units produced each day.

OR

Q:1 Define cost accounting. Explain the elements of cost in brief. **(10)**

Q:2 (A) The following direct costs were incurred on Job No. 239 of XYL Co. Ltd. **(05)**

Materials: ₹6,010

Wages:

Department A — 60 hours @ ₹30 per hr.

Department B — 40 hours @ ₹20 per hr.

Department C — 20 hours @ ₹50 per hr.

Overhead for these three departments were estimated as follows :

Variable overheads:

Department A — ₹15,000 for 1,500 labour hours

Department B — ₹4,000 for 200 labour hours

Department C — ₹12,000 for 300 labour hours

Fixed overheads: Estimated at ₹40,000 for 2,000 normal working hours.

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You are required to calculate the cost of Job No. 239 and quote the price to give profit of 25% on selling price

- (B) Job No. 718 was commenced on 10th October, 2024 and completed on 1st November, 2024. (05)

Materials used were ₹600 and labour charged directly to the job was ₹400. Other information is as follows:

Machine No. 215 used for 40 hours; the machine hour rate is ₹3.50

Machine No. 169 used for 30 hours; the machine hour rate is ₹4

Six welders worked on the job for 5 days of 8 hours each; the direct labour hour rate for welders is 20 paise.

Other expenditures of the concern not apportioned for calculating the machine hour or the direct hour rates amounted to ₹20,000, total direct wages for the period being ₹20,000. Ascertain the works cost of Job No. 718.

OR

- Q:2 In respect of a factory following particulars have been extracted for the year 2024: (10)

Particulars	Amount(₹)
Cost of materials	6,00,000
Wages	5,00,000
Factory overheads	3,00,000
Administrative charges	3,36,000
Selling charges	2,24,000
Distribution charges	1,40,000
Profit	4,20,000

A work order has been executed in 2024 and the estimated expenses are:

Given that materials cost ₹8,000 and wages ₹5,000, you need to determine the revised selling price for 2025 while maintaining the same profit percentage on the selling price as in 2024. Factory overheads, calculated based on wages, have increased by 20%, while distribution charges have risen by 10%. Selling and administration expenses, both based on factory cost, have each increased by 15%. Considering these changes, you must compute the updated factory cost, total cost, and selling price to ensure the same profit margin as in the previous year.

Prepare statements showing:

- Cost sheet for the year 2024 showing various elements of cost per unit.
- Estimated cost and profit for 2025.

- Q:3 Following is summarized version of Trading and Profit and Loss account of Colgate Enterprise Ltd for the year ended December 31, 2024. (10)

Particulars	Amount	Particulars	Amount
To material	48,000	By sales	1,00,000
To wages	36,000	By closing stock of	20,400

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To work expenses	24,000	finished goods	
		By work in progress:	
		Material	3,000
		Wages	1,800
To gross profit	18,400	Work expenses	1,200
	1,26,400		1,26,400
To administration expenses	6,000	By gross profit	18,400
To selling expenses	4,000		
To net profit	8,400		
	18,400		18400

During the year 6000 units were manufactured and 4800 of them were sold. The costing records show that overheads have to be absorbed @50% of direct wages, administration overheads at ₹ 1.50 per unit produced and selling overheads @ ₹ 1 per unit sold. Financial and cost account books shows different profits. You are required to:

- Calculate profit as per cost account's books.
- Prepare a statement reconciling two profits disclosed under two set of books, clearly by bringing out the reasons for the difference.

OR

- Q:3** (A) The cost accountant of a company has arrived at profit of ₹ 73,24,150 based on cost accounting records for the year ended 31.3.14. As cost auditor, you found the following differences between financial accounts and cost accounts. **(05)**

Particulars	Amount(₹)
Decrease in value of WIP and finished goods :	
- As per final accounts	1,28,21,995
- As per cost accounts	1,31,04,220
Profit on sale of fixed assets	61,500
Loss on sale of investments	11,200
Voluntary retirement compensation included in salaries and wages in financial a/c	16,75,000
Donation paid	25,000
Major repairs and maintenance written off :	
- In financial accounts	13,26,000
- In cost accounts	6,08,420
Insurance claims relating to previous year received	14,29,000
Profit from retail trading activity	7,12,300

You are required to prepare a reconciliation statement between the profit figures as per costing and financial accounts. Calculate the profit as per financial books.

- (B) The net profits of Nidhi Limited according to financial accounts was ₹84,377 **(05)** while profits shown by cost accounts was ₹1,06,200 for the same year. Prepare reconciliation statement to reconcile both the profits from the following information:

Particulars	Amount(₹)
Depreciation charged in financial accounts	5600
while recovered in cost accounts	6250
Works overheads under absorbed in cost accounts	1560
Office overheads over-recovered in cost accounts	850
Interest on loans (credit) not included in cost accounts	4000
Loss due to obsolescence charged in financial accounts	2850
Bank interest and dividends received	375
Income-Tax paid	20,150
Loss due to depreciation in inventories charged in financial accounts	3375
Stores adjustment credited in financial accounts	237

- Q:4** Write the journal entries to be passed for the following in case of (10)
- (i) Integrated system of accounts (ii) Non - integrated system of accounts
- i. Materials purchased for specific jobs – ₹ 60,000
 - ii. Cost of goods sold recorded – ₹ 35,00,000
 - iii. Under-absorption of administrative overheads – ₹ 36,000
 - iv. Materials transferred from one job to another – ₹ 50,000

OR

- Q:4** Write the journal entries to be passed for the following in case of (10)
- (i) Integrated system of accounts (ii) Non - integrated system of accounts
- i. Over-absorption of factory overheads – ₹ 15,000
 - ii. Return of indirect materials to stores – ₹ 70,000
 - iii. Absorption of administrative overheads – ₹ 50,000
 - iv. Purchase of materials for cash – ₹ 25,000

- Q:5** Select the correct option for the following (Any ten out of twelve) (10)
1. Expenses unrelated to producing a good or service are known as:

A. Direct expenses	B. Overheads
C. Indirect expenses	D. None of the above
 2. In cost sheet, carriage outward is shown under _____ overhead.

A. Selling	B. Prime cost
C. Office	D. None of the above
 3. Under valuation of closing stock in cost accounts will be _____ to/from the profit while preparing a reconciliation statement.

A. Deducted	B. No effect
C. Added	D. None of the above
 4. Delivery van expense is classified as a/an _____ overhead in the cost sheet.

A. Office	B. Factory
C. Selling	D. Any of the above

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5. The type of costing followed by industries indulged in the production of medicines is:
 - A. Process costing
 - B. Job costing
 - C. Batch costing
 - D. Can choose any
 6. Which of the following is an direct expense?
 - A. Cost of patent rights
 - B. Showroom rent
 - C. Depreciation
 - D. Salary
 7. The system of accounting in which the financial books and cost books of accounts are not maintained separately is known as:
 - A. Non integral system
 - B. Double entry
 - C. Mixed system
 - D. None of the above
 8. Which of the following is an objection to cost accounting?
 - A. Inapplicable
 - B. Expensive
 - C. Unnecessary
 - D. All of the above
 9. In cost sheet, donation will be shown under _____ overhead.
 - A. Selling & distribution
 - B. Factory
 - C. Office
 - D. None of the above
 10. Which of the following is a fixed expense?
 - A. Salary
 - B. Depreciation
 - C. Insurance
 - D. All of the above
 11. Which of the following is not a component of selling overheads?
 - A. Delivery charges
 - B. Showroom rent
 - C. Direct wages
 - D. All of the above
 12. Which of the following is not recorded in a cost sheet?
 - A. Salary
 - B. Office rent
 - C. Selling expense
 - D. Income tax
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