

Seat No. : _____

OB-112

October-2018

B.B.A., Sem.-II

CC-109 : Cost Accounting

Time : 2.30 Hours]

[Max. Marks : 70

1. (A) Advantages and Limitations of Cost Accounting. **14**

OR

(i) Write a short note on Costing Techniques. **7**

(ii) State the difference between Cost Accounting and Financial Accounting. **7**

(B) Do as directed. (Any **four**) **4**

(1) In Textile industry _____ Method is used. (Operating costing / Process Costing)

(2) Job Costing method is use for _____. (Oil Refinery / Printing Press)

(3) In which enterprises operating costing is not applicable ? (Hotel / Cement)

(4) Cost unit of Metro train is. (Passenger km / Per kilo-watt)

(5) Explain direct Expenses.

(6) Explain indirect labour.

2. (A) Sameer Electronics manufactured and sold 3,000 calculators for the year ending 31st March, 2017. The summarized trading and profit and loss account is given below. **14**

Particular	₹	Particular	₹
To Direct Materials	2,40,000	By Sales	12,00,000
To Direct Wages	3,60,000		
To Manufacturing expenses	1,50,000		
To Gross Profit	4,50,000		
	12,00,000		12,00,000
To Administration expenses	2,40,000	By Gross Profit	4,50,000
To Rent	30,000		
To Selling Expenses	90,000		
To Net Profit	90,000		
	4,50,000		4,50,000

For the year ending 31st March 2018, it is estimated that:

(1) Output and Sales will be 3,600 calculators.

(2) Price of raw material will be rise by 25%.

(3) Direct labour cost will be increase by 10%.

(4) Manufacturing expenses will rise in proportion to the combined cost of raw material and wages.

(5) Selling cost per unit will remain unchanged.

(6) Administrative overheads will remain constant.

(7) Calculator should be sold to earn a profit of 20% on selling price.

From the above Information :

(i) Prepare Cost statement per unit and total for the year 2016-17.

(ii) Prepare estimated statement of cost showing profit for the year 2017-18.

OR

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- (A) (i) Following particulars of ABC Ltd., prepare a cost sheet showing total cost and profit for the year ending on 31-12-2018.

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Particulars	₹	Particulars	₹
Direct Materials	3,00,000	Indirect Material	50,000
Direct Wages	1,10,000	Fuel and power	10,000
Dividend paid	10,000	Bad debts	6,000
Rent-Factory	30,000	Repairs of Plant	5,000
Rent-Office	20,000	Office staff salary	35,000
Indirect wages	24,000	Director's fees	20,000
House servant's salary	12,000	Stationery	2,500
Lighting-Factory	6,000	Telephone charges	7,500
Lighting-Office	3,500	Dep. on Office furniture	2,500
Depreciation on Machinery	10,000	Office Manager's salary	20,000
Salesmen's salary	30,000	Income tax paid	25,000
Advertisement	22,500	Go down rent	5,000
Carriage outward	5,000	Sales	8,30,000

- (ii) Write a short note on Fixed and Variable expense.

7

- (B) Do as directed : (any **four**)

4

- (1) Direct cost can be calculate with _____. (Production Unit / Sales Unit)
- (2) Direct Material + Direct Labour + Direct Expenses = Factory cost
(True / False)
- (3) Overhead cost is the total of _____.
(All Indirect Expenses / All Direct Expenses)
- (4) In cost sheet wages expense is shown as
(Factory overhead / Administrative overhead)
- (5) Carriage outward will be included in (Factory overhead / Selling overhead)
- (6) Define Direct expenses in short.

3. (A) The following is the Trading and Profit & Loss Account of Kavya Manufacturing Co. for the year ended 31-3-2017 :

14

Particular	₹	Particular	₹
To Material	80,000	By sales (5400 Units)	2,00,000
To Direct Labour	48,000	By Closing Stock	16,000
To Factory Expenses	32,000	(10% of Production)	
To Gross Profit	56,000		
	<u>2,16,000</u>		<u>2,16,000</u>
To Office Expenses	28,000	By Gross Profit	56,000
To Selling Expenses	18,000	By Interest Received	600
To Discount on Debenture	8,000	By Rent Received	800
To Preliminary Expenses	400	By Dividend Received	1,000
Net Profit	4,000		
	<u>58,400</u>		<u>58,400</u>

The following information has been obtained on investigation of Cost Account

1. Material and wages are taken at their cost price.
2. Factory expenses are taken at 1/2 of wages.
3. Office overheads are at 25% of factory cost.
4. Selling and distribution overheads are taken at ₹ 4 per unit.

Prepare

1. Cost Sheet
2. Reconciliation Statement

OR

(A) Details of Financial accounts of Vani Ltd. is given below : 7

- (i) Office overhead ₹ 2,00,000, Selling overhead ₹ 80,000 and Profit ₹ 1,20,000. Details of cost account is given below.

Office overheads in Financial Account are 25% higher than of Cost Accounts and selling overheads are 20% lower. What will be the profit as per cost Accounts?

- (ii) State the causes of difference in profit as per Financial and Cost Accounts. 7

(B) Do as directed. (any **three**) 3

- (1) Which item is not recorded in cost account ?

(Discount on debenture / Factory Lighting)

- (2) Due to under recovery of overheads in Cost Accounts, the profit shows by cost Accounts is higher. (True/False)

- (3) Goodwill written off is recorded in (Cost Accounts/Financial Accounts)

- (4) Amount recorded in Profit & Loss A/c, but not recorded in Cost Account.

(Office Salary / Provision for income tax)

- (5) Amount recorded in Cost Account, but not recorded in Profit & Loss A/c.

(Notional Rent/Preliminary expense written off)

4. (A) Following balances have been taken from the cost ledger of Apple Company Ltd. as on 31-3-2017: 14

Particular	Debit (₹)	Credit (₹)
Stores Ledger Control A/c.	3,45,000	-
Work-in-Progress A/c.	4,25,000	-
Finished Goods Control A/c.	9,80,000	-
General Ledger Control A/c.	-	17,50,000
	17,50,000	17,50,000

Following were the transactions during the year 2017-18:

	₹
Purchase of stores	6,38,000
Stores issued to production	5,70,000
Indirect materials issued to production	12,000
Normal wastage of materials	8,500
Abnormal wastage of materials	4,500
Direct wages	1,85,000
Indirect wages	45,000
Carriage inward	8,000
Selling expenses	5,000
Actual factory overheads paid	55,000
Recovery of factory overhead	65,000
Actual office expenses paid	42,500
Recovery of office overhead	48,000
Cost transferred to finished goods	10,20,000
Cost of Sales	11,48,000
Sales	19,90,000

From the above information, prepare necessary accounts in cost ledger of the company and prepare Trial Balance as on 31-3-2018.

OR

- (A) (i) Following information is given by Intel Ltd. for the month of March-2017, pass necessary journal entries 7

	₹
Raw material Purchased	2,12,000
Materials are returned to store	8,000
Wages are paid	85,000
Normal loss of material	2,000
Cost of goods sold	4,90,000
Recovery of factory overhead	45,000
Material destroyed by fire	1,000

- (ii) Write a short note on "General Ledger Control Account". 7
- (B) Do as directed (any **three**) 3
- (1) Material Purchase for special job is debited to Store ledger A/c. (True / False)
 - (2) In case of abnormal loss Factory Overhead account debited (True / False)
 - (3) When Material are returned to supplier Gen. Ledger Ads. A/c is debited. (True / False)
 - (4) Explain store inward book.
 - (5) Explain Cost ledger Control Account.