

MF-102

May-2018

B.B.A., Sem.-II**CC-109 : Cost Accounting****Time : 3 Hours]****[Max. Marks : 70**

- Instructions :** (1) Figure to the right indicate marks.
(2) Show calculation as a part of answer.

1. (A) Write a short note on Costing Techniques. 7

OR

State the difference between Cost Accounting and Financial Accounting.

- (B) Discuss the advantages of Cost Accounting. 7

OR

Discuss the objectives of Cost Accounting.

2. Following is the Trading and Profit & Loss Account of Aarya Ltd. for the year ended 31-3-2016 in which 1000 Bluetooth Speakers manufactured and sold : 14

Particulars	₹	Particulars	₹
To Materials	3,00,000	By Sales	15,00,000
To Wages	2,00,000		
To Factory expenses	2,80,000		
To Gross Profit	7,20,000		
	15,00,000		15,00,000
To Staff salaries	1,00,000	By Gross Profit	7,20,000
To Selling expenses	50,000		
To General expenses	45,000		
To Rent & Taxes	25,000		
To Net Profit	5,00,000		
	7,20,000		7,20,000

For the year 2016-17 it is estimated that :

- (1) The price of raw materials per unit will increase by 20%.
- (2) The price of wages per unit will decrease by ₹ 10.
- (3) The output and sale will be 1,200 Bluetooth Speakers.
- (4) Selling exp. per unit will remain constant.
- (5) Factory overhead will change in proportion to combined cost of material and wages.
- (6) Staff salaries will increase by ₹ 10,000 and other office expenses remain unaffected by the rise in output.

(7) Rate of profit remain same on cost as per previous year.

From the above Information, prepare :

- (i) Cost statement per unit and total for the year 2015-16.
- (ii) Estimated statement of cost showing profit for the year 2016-17.

OR

(A) From the following particulars Aanya Ltd., prepare a cost sheet showing cost for the year ending on 31-12-2017 :

Particulars	₹	Particulars	₹
Advertising	6,640	Rent: Factory	6,000
Bad Debt	1,990	Rent: Office	3,900
Depreciation: Office Furniture	4,550	Repairs: Factory Plant	7,800
Depreciation: Factory Plant	4,500	Repairs: Office Building	8,050
Direct Materials	2,35,000	Salesman Salary	4,500
Direct Wages	1,85,000	Staff Salary	4,500
Directors' fees	5,590	Stationery	3,110
Electric power	10,500	Supervisor's fees	9,800
Factory Lighting	92,500	Travelling expenses	8,800
Insurance of Plant	3,500	Wages	8,500
Lighting : Office	38,900	Sales	7,93,000
Oil and Water	11,500		

(B) Write a short note on : Direct and Indirect expense.

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

Particulars	₹	Particulars	₹
To Opening Stock (500 Unit at ₹ 35 each)	17,500	By Sales (10,250 Units)	7,17,500
To Material	2,60,000	By Closing Stock (250 Unit at ₹ 50 each)	12,500
To Direct Labour	1,50,000		
To Factory Expenses	94,700		
To Gross Profit	2,07,800		
	7,30,000		7,30,000
To Office Expenses	1,06,000	By Gross Profit	2,07,800
To Selling Expenses	55,000		
To Discount on Debenture	1,000	By Interest Received	2,200
To Preliminary Expenses	2,000	By Rent Received	10,000
To Income Tax	6,000		
Net Profit	50,000		
	2,20,000		2,20,000

The following information has been obtained on investigation of Cost Account :

- (1) Cost of Material are ₹ 26 per unit and labour costs 15 per unit.
- (2) Factory overhead are absorbed at 60% of labour cost.
- (3) Office overhead are absorbed at 20% of Factory cost.
- (4) Selling expenses are charged at ₹ 6 per unit.

- (5) Opening stock of finished goods is valued at ₹ 45 per unit.
 (6) Closing stock is valued as per Trading Account.

Prepare

- (1) Cost Sheet
 (2) Reconciliation Statement

OR

- (A) Krish Automobiles Co. provides following information for year 2017 :
 Profit as per Financial Account is ₹ 1,37,000. Prepare a Reconciliation statement and find out profit as per Cost Account.

	₹
(1) Over absorption of administrative expenses in Cost Accounts	28,000
(2) Depreciation debited in Financial Accounts	9,000
(3) Over absorption of Factory expenses in Financial Account	4,200
(4) Interest on Investment received	2,300
(5) Provision for Income Tax	3,200
(6) Loss on sale of plant	850
(7) Discount received recorded in Financial Accounts	1,900
(8) Loss of store adjustment	1,800
(9) Debenture interest debited in Financial Accounts	1,150

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

4. Following balances have been taken from the cost ledger of Omega Company Ltd. as on 31-3-2016 :

Particulars	Debit (₹)	Credit (₹)
Stores Ledger Control A/c.	2,25,000	-
Work -in- Progress A/c	3,75,000	-
Finished Goods Control A/c	1,10,000	-
General Ledger Control A/c	-	7,10,000
	7,10,000	7,10,000

Following were the transactions during the year 2016-17 :

	₹
Purchase of stores	5,31,000
Stores issued to production	4,80,000
Indirect materials issued to production	25,000
Normal wastage of materials ✓	10,000
Abnormal wastage of materials ✓	8,000
Direct wages	2,00,000
Indirect wages	50,000
Carriage inward	7,000
Carriage outward	6,000
Actual factory overheads paid	40,000
Factory overheads recovered	45,000
Actual office expenses paid	32,000
Office expenses Recovered	35,000
Cost transferred to finished goods	9,80,000
Cost of sales	8,85,000
Sales	10,00,000

From the above information, prepare necessary accounts in cost ledger of the company and prepare Trial Balance as on 31-3-2017.

OR

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

	₹
Raw material purchased	1,32,500
Material are return to supplier	2,000
Indirect material issued	9,000
Wages are paid of Abnormal ideal time	12,000
Material returned by production	6,500
Material destroyed by fire	6,000
Sales of finished goods	2,22,000

(B) Write a short note on "Store Ledger Control Account".

5. Do as directed :

- (1) In Printing Press _____ Method is used. (Operating costing / Job costing)
- (2) Processing Costing Methods is used for _____ Industry. (Pharmaceutical / Chemical)
- (3) Wages paid to a labour can be treat as _____. (Direct Cost / Indirect Cost)
- (4) If Cost price is ₹ 80,000 and profit is ₹ 40,000, then what is the percentage of profit on cost? (33.33% / 50%)
- (5) Preliminary Expense is not shown in cost sheet. (True / False)
- (6) Closing Stock can be found with help of _____. (Production Unit / Selling Unit)
- (7) Direct expenses are also called _____. (Chargeable Exp. / Overhead Exp.)
- (8) Expenses relating to purchase of raw material is debited to _____ ledger control account. (W.I.P. / Store)
- (9) Materials ₹ 3,00,000, Wages ₹ 2,00,000, Factory overhead is 20% on Factory cost. Find out Factory overhead. (1,00,000 / 1,25,000)
- (10) Work-in-progress ledger also known as _____. (Job ledger / Batch ledger)
- (11) Bad debts is a selling overhead. (True / False)
- (12) Selling and distribution overheads are allocated to cost of sales account. (True or False)
- (13) Explain the terms " General Ledger Adjustment Account".
- (14) Explain the terms "Tender Price".