

Q.P. Code: 00003833

[Time:2.30 Hrs]

[Marks:75]

Please check whether you have got the right question paper.

- N.B:
1. All question are compulsory.
 2. Figures to the right indicate full marks.
 3. Working note should form part of main answer
 4. Use of simple calculators is allowed

- Q. 1. A. Select the most appropriate alternatives (**Attempt any 8 out of 10**) 08
1. Which of the following items is not included in preparation of a cost sheet?
 - a. Carriage inward
 - b. Purchase Returns
 - c. Sales Commission
 - d. Interest Paid
 2. When a contract work is completed to the extent of 20% of the contract price, profit to be credited to Profit and Loss A/c is _____.
 - a. Nil
 - b. Full amount
 - c. 1/3 of Profit
 - d. 2/3 of Profit
 3. _____ expenses are ignored while making cost sheet.
 - a. Selling
 - b. Financing
 - c. Administrative
 - d. Factory
 4. The realizable value of Normal loss is credited to _____.
 - a. Normal Loss A/c
 - b. Process A/c
 - c. Abnormal A/c
 - d. None
 5. Cost of Secondary Packing Materials is treated as _____.
 - a. Direct Cost
 - b. Indirect cost
 - c. Selling overheads
 - d. Office overheads
 6. In contract costing payment of cash to the contractor is made on the basis of _____.
 - a. Uncertified work
 - b. Certified work
 - c. Work in progress
 - d. Work certified
 7. Process Cost is based on the concept of _____.
 - a. Average Cost
 - b. Marginal Cost
 - c. Standard Cost
 - d. Differential Cost
 8. Prime Cost is also known as _____ cost.
 - a. Direct
 - b. Indirect
 - c. Works
 - d. Factory overheads
 9. Construction companies follow _____ costing.
 - a. Process
 - b. Contract
 - c. Marginal
 - d. Standard
 10. In cost accounting CPU stands for _____.
 - a. Cost per unit
 - b. Cost profit unit
 - c. Central processing unit
 - d. Control per unit

Q.P. Code: 00003833

Q. 1. B. State whether the statements are true or false. (Attempt any 7 out of 10) 07

1. Contract costing is a type of job costing.
2. Goodwill written off is not taken in cost account.
3. Variable cost remains fixed per unit of output.
4. A cost sheet and income statement are one and the same.
5. The cost of material lost or destroyed is debited to the Contract Account.
6. Cash received on contract is credited to Contractee Account.
7. A contract is a big job involving small outlay of expenditure.
8. Abnormal loss is also called as unavoidable loss.
9. Notional rent is debited to profit and loss account.
10. Fixed cost remains fixed irrespective of level of output.

Q. 2. A. Following details are furnished by Omkar Ltd. of expenses incurred during 15 the year ended 31st March 2021.

Particulars	Amount (₹)
Stock of Raw Materials (01/04/2020)	4,00,000
Raw Materials Purchased	20,00,000
Stock of Raw Materials (31/03/2021)	5,00,000
Carriage on Purchase of Raw Material	40,000
General Charges	40,000
Productive Wages	12,00,000
Salaries of Drawings and Designing Department	1,00,000
Hire Charges of Special Equipment	50,000
Repairs to Plant and Machinery	90,000
Depreciation on Plant	60,000
Gas and Water Charges	10,000
Office Salaries	90,000
Rent, Rates and Taxes (Office)	6,000
Depreciation on Office Furniture	4,000
Carriage on Sales	36,000
Travelling Expenses	54,000
Depreciation on Delivery Van	18,000
Brand Ambassador's Remuneration	54,000
Profit on Sale of Plant	1,000
Interest Received on Investment	2,000

Other Information:

1. Stock of Finished goods at the end of the year 2,000 units to be valued at cost of production.
2. No. of units produced during the year is 20,000

Q.P. Code: 00003833

3. Profit desired on sales is 20%

Prepare Cost Sheet showing various elements of cost both in total and per unit and also find out total profit and per unit profit.

OR

Q. 2. B. Following is the Profit & Loss Account as per financial records of Kavita Enterprises for the year ended 31st March, 2021. 15

Particulars	Amount	Particulars	Amount
To Materials consumed	5,20,000	By Sales	20,72,000
To Direct Wages	2,55,000	(16,000 kgs)	
To Factory Overheads	3,60,000	By Rent Income	1,50,000
To Administration Overheads	4,00,000	By Closing Stock:	
To Sales Overheads	8,00,000	Finished Goods	1,50,000
To Income Tax	30,000	(2,000 kgs)	
To Net Profit	7,000		
	23,72,000		23,72,000

For the same period Cost Accounts Records showed the following:

1. Materials consumed 20,000 kgs. @ ₹ 27 per kg.
2. Direct wages 3,000 man days @ ₹ 90 per man day.
3. Factory overheads @ 20% of the Prime cost.
4. Administrative overheads ₹ 30 per kg of output produced.
5. Sales overheads @ ₹ 50 per kg of output sold.
6. Closing stock of Finished goods was valued at cost of production.
7. Selling price was ₹ 135 per kg.

You are required to Prepare: Cost Statement for the year ended 31st March, 2021 and Statement of Reconciliation.

Q. 3. A. Sai Construction Company has undertaken three contracts during the year and following particulars are available as on 31/03/2023. 15

Particulars	Contract 'X'	Contract 'Y'	Contract 'Z'
Contract Price	1,00,00,000	2,50,00,000	75,00,000
Material issued to Contract	16,52,000	22,45,000	18,96,000
Labour	10,28,000	12,65,000	12,55,000
Sub-Contract Charges	8,48,000	8,39,000	4,35,000
Architect Fees	3% of Work Certified	3% of Work Certified	3% of Work Certified
Insurance Charges	30,000	61,000	74,000
Work Certified	40,00,000	50,00,000	50,00,000

Q.P. Code: 00003833

Work Uncertified	3,50,000	4,00,000	2,50,000
Amount received from	80% of work	90% of work	75% of work
Contractee	Certified	Certified	Certified
Closing Stock of Materials	90,000	1,00,000	2,00,000

All contracts were commenced during the current year. Total depreciation on plants amounted to ₹ 1,12,000 and allocate the same to all contracts in the ratio of work certified. Prepare Contract Accounts, show the calculations of profits transferred to Profit and Loss A/c.

OR

- Q. 3. B. Following information relates to a building contract commenced on 1st April, 2020 for ₹ 10,00,000. 15

Particulars	2020-21 (₹)	2021-22 (₹)
Material Issued	3,02,000	84,000
Direct Wages	2,00,000	1,00,000
Outstanding Wages	20,000	-
Sub-Contract Charges	12,000	10,000
Indirect Expenses	10,000	-
General Expenses	6,000	1,400
Supervision Charges	10,000	5,000
Work Certified (Cumulative)	7,50,000	10,00,000
Work Uncertified	8,000	-
Material at Site at the end	5,000	-
Plant Issued	14,000	2,000
Material Returned to Stores	2,000	5,000
Cash Received from the Contractee during the year	6,00,000	4,00,000

The value of Plant at the end of 2020-21 and 2021-22 was ₹ 7,000 and ₹ 5,000 respectively.

Prepare Contract Accounts for the year 2020-21 and 2021-22.

- Q. 4. A. The product of a company passes through three distinct processes to completion. These processes are known as A, B & C. From the past experience, it is ascertained that wastages are incurred in each process as under: Process A – 2%, Process B – 4%, Process C – 10%. 15
- The wastage at each process possesses scrap value. The wastage of processes 'A' and 'B' is sold at ₹ 2.50 per unit, and that of process 'C' at ₹ 5.00 per unit. The output of each process passes immediately to the next process and finished units are transferred from process C into stock. The following information is obtained.

Q.P. Code: 00003833

Particulars	A (₹)	B (₹)	C (₹)
Material	2,70,000	2,60,000	1,20,000
Wages	4,30,000	2,40,000	1,30,000
Direct Expenses	1,37,500	1,45,000	1,80,000

50,000 units were put in process A at a cost of ₹ 10 per unit. The output of each process is as follows:

Process A – 48,750 units, Process B – 47,000 units, Process C – 42,000 units.

There is no stock of work in progress in any process. Prepare the process accounts, abnormal gain and abnormal loss account.

OR

- Q. 4. B. Abad Chemicals Co. Ltd produced three types of chemicals during the month of March, 2021 by three consecutive processes. In each Process 2% of the total weight put in is lost and 10% is scrap. Scrap of Process I and Process II realize ₹ 100 ton and that of Process III ₹ 20 a ton. The products of the processes are dealt with as follows.

Particulars	I	II	III
Passed on the next process	75%	50%	-
Sent to warehouse for sale	25%	50%	100%
Details of Cost:			
Raw Materials used: <u>Tonnes</u>	1,000	140	1,348
<u>Amount (₹)</u>	1,20,000	28,000	1,07,840
Direct wages	20,500	18,520	25,000
General expenses	10,300	7,240	4,320

You are required to prepare Process Cost Accounts showing cost per ton of each process.

- Q. 5. A. What are the Uses/Purposes/Advantages of Cost Sheet? 08
- Q. 5. B. Explain the importance of process costing. 07

OR

- Q. 5. C Attempt (Any 3 out of 5) 15
1. Retention Money
 2. Variable cost
 3. Differences between Cost Accounting & Financial Accounting.
 4. Normal loss
 5. Contract Price

*****END*****