

[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. Students answering in the regional language should refer in case of doubt to the main text of the paper in English.

- Q.1 A. Select correct answer from multiple choice questions (attempt any 8) 8
1. Drawings Office Salary is classified as _____ expense
(Direct / Marketing / Factory Selling)
 2. Interest on debentures is classified as _____ item.
(Direct / Factory / Administration / Non-cost)
 3. Cost of fancy lace, buttons used while stitching a T-Shirt is _____ cost
(Indirect Material / Direct Labour / Direct Material / General)
 4. Reconciliation statements helps to _____.
(Check the arithmetical accuracy of books of accounts / Facilitates internal control / Helps in Decision Making / Market products)
 5. Costing Profit amounted to ₹ 5000. Depreciation in the costing books was overcharged by ₹ 2000 and closing stock was undervalued by ₹ 500 in costing books. Hence reconciliation statement would show Profit ₹ _____ as per finance books.
(7,500 / 2,500 / 6,500 / 3,500)
 6. When a contract is not completed at the end of the year, loss on incomplete contract is transferred to _____.
(Profit and Loss A/c/ Work in Progress (WIP) A/c / Partly to Profit and Loss
 7. and partly to WIP A/c / Abnormal Loss Account)
In contract accounts amount of Work in Progress consists of _____.
(Cost of Work Certified / Cost of work Uncertified / Closing value of material / Cost of Labour)
 8. _____ is not relevant to the process costing system.
(Heterogeneous products / Repetitive Production / High Production Volume / Low Production Flexibility)
 9. Materials, labour and overhead costs are traced to processing departments rather than individual products or jobs. This statement is true for _____.
(Job order-based costing system/ Activity based Costing system/ Process Costing system / Variable Costing system)
 10. Under process costing additional raw material can be added in _____.
(Only in the first process / Only in the second process / Only in the last process / All the processes)

Q.1B. State True or False (attempt any 7 out of 10)

7

1. Prime cost = Direct material + Direct Labour + Direct expenses
2. Interest on investment increases financial profit
3. Notional Rent is taken in Cost Account
4. Dock Charges is an indirect cost
5. A contract is a Separate Unit of Cost
6. Material supplied to site is debited to Material Control Account
7. Expenses on issue of shares increases financial profit
8. No profit is credited in case work completed is less than 50%
9. Normal loss is controllable
10. Common material cost + common processing cost = Joint Cost

Q.2 A. Given blow is Trading, profit & Loss Account of Mochi Ltd. for 31.3.2022

15

Particulars	Amount	Particulars	Amount
To Materials consumed	10,96,000	By sales (48,000 pair of Shoes)	24,00,000
To wages	6,04,000	By Dividend received	50,000
To factory expenses	3,32,000		
To Administrative expenses	1,52,960		
To selling expenses	1,80,000		
To Goodwill w/off	8,000		
To Preliminary expenses w/off	16,000		
To Net Profit	61,040		
	24,50,000		24,50,000

Normal Output of factory is 40,000 pair of shoes. Other Cost accounting information are:-

1. Factory overheads are Fixed upto ₹ 60,000 and variable at ₹ 240,000.
2. Administrative overheads - ₹ 3.5 per pair of shoes.
3. Selling overheads are fixed at ₹ 160,000 and res is variable.

Prepare statement reconciling profit as per cost accounts & financial accounts

OR

Q.2 B. Apsara Pencil Ltd. started a factory in Mumbai on 1.4.21. Following detail is available for the year ended 31.3.22:

15

- Raw material consumed to make pencil – 65,000 units @ ₹ 8 per unit.
- Direct wages – skilled worker ₹ 5 per unit and Unskilled worker ₹ 2.5 per unit.
- Direct expenses – ₹ 4 per unit.
- Work overheads ₹ 8 per machine hours worked.
- 1 unit consumes half an hour of machine hours
- Offices overheads ₹ 422,500, Sales commission ₹ 4 per unit sold.
- Unit produced – 65,000 and unit sold – 45,000
- Selling price per unit Rs 40.

Prepare cost sheet showing the various elements of cost & per unit cost.

- Q.3 A. A product "Cake" is made through two distinct processes - Baking and Whipping and thereafter to finished goods - packaging of Cake. Their details are as under: 15

Particulars	Baking	Whipping	Packaging of Cake
Materials Consumed (10,000 Units)	12,000	6,000	10,000
Direct Labour	14,000	8,000	12,000
Manufacturing Expenses	4,000	4,000	6,000
Additional material consumed	10,000	-	-
Output (units)	9,400	8,300	7,600
Normal wastage %	5	10	15
Value of normal wastage (per units)	2	2.5	3

There is no stock in any process. All Cake units were sold for ₹ 18 each. You are required to prepare all the process Accounts and determine Profit or loss.

OR

- Q.3 B. Britannia manufactures its product – Bourbon through three distinct processes. These processes are known as Baking, Cream & packaging. The details of process is as under : 15

Particulars	Baking (₹)	Cream (₹)	Packaging (₹)
Input (40,000 Units)	21,00,000		
Materials	14,00,000	280,000	140,000
Wages	4,20,000	210,000	105,000
Direct expenses	1,30,000	392,000	294,000
Opening Stock	5,88,000 (6,000 units)	384,000 (3,000 units)	112,883 (719 units)
Closing Stock	4,000 units	5,000 units	9,500 units
% of normal wastage	2%	5%	10%
Scrap sale Price (per Unit)	1	31.233	8.5071

The Closing Stock in each process is valued at respective Process Cost. You are required to prepare process accounts and process stocks accounts.

- Q.4 A. Following information is obtained from the books of Jacob, the contractor, regarding its contract for ₹ 1 crore. The contractee pays 90% of the value of work done as certified by the architect. 15

Particulars	2020	2021	2022
Materials on site	60,000	80,000	40,000
Materials	6,00,000	11,00,000	6,30,000
Direct Wages	4,50,000	1,25,000	45,000
Indirect expenses	1,00,000	20,000	85,062
Work certified (cumulative)	20,00,000	55,00,000	1,00,00,000

Work uncertified	2,00,000	1,00,000	-----
Plant issued	5,00,000	-----	-----
Architect fees	4% of work certified		

The value of plant at the end of 2020, 2021 and 2022 (when the contract was completed) was ₹ 125,000; ₹ 93,750 & ₹ 70,312. Prepare Contract Account for the year 2020, 2021 & 2022.

OR

- Q.4 B. Afcons was awarded the contract to make the tunnel for ₹ 15,00,000 on 1.4.2019. The contract was expected to completed by 31.3.21. Afcons's accounts details are: 15

Particulars	Actual expenditure From 1.4.19 to 31.3.20	Estimated expenditure From 1.4.20 – 31.3.21
Architect fees (% of work certified)	6%	6%
Materials issued	2,52,000	4,10,000
Direct wages	1,12,000	5,00,000
Direct expenses	38,000	25,000
Materials returned to stores	12,000	10,000
Material at site	50,000	-
Uncertified work	125,000	-
Office overheads	23,000	66,000
Material lost by fire	-	16,000
Work certified (Cumulative)	8,50,000	15,00,000
Plant purchased	6,00,000	-

Provide depreciation @ 15% p.a. on plant.

Prepare Contract Accounts for the years ended 31.03.2020 (based on actual details) and 31.03.2021 (based on estimated details).

- Q.5 A. Explain Process Costing. Explain the difference between normal loss and abnormal loss along with its accounting treatment. 8
- B. Explain Profit Centre and Cost Centre 7

OR

- Q.5 Write a short note on (any three out of five) 15
1. By-Products
 2. Contract Price
 3. Importance of Reconciliation Statement
 4. Valuation of Stock in Cost sheet
 5. Income and Expenses that appear only in Final Accounts and not in Cost Accounts