Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND ECONOMICS, PONDA-GOA
B.COM. (SEMESTER - VI) EXAMINATION, JULY 2021
ADVANCED COST ACCOUNTING I (DSE 5)

Duration: Two hours **Max. Marks: 30**

QI) Answer any **FIVE** from the following: (2 x 5 = 10 Mks)

a) What do you mean by Economic Batch Quantity?
b) What do you mean by operating costing?
c) Which industries job costing is applied? Why?
d) Why costing profit differs from financial profit?
e) What do you mean by underabsorption of overheads in cost accounting?
f) Enlist some of the features of Hotel costing.
g) What do you mean by cost control?
h) State some tools of cost reduction.

QII) Answer any **FOUR** from the following: (5x4=20 Mks)

A. The profit as per cost accounts is ₹ 1,65,300. Following details are ascertained on comparison of cost and financial accounts.

			Cost A/c	Financial A/c
a)	Opening Stock	: Materials	33,000	32,600
		W/P	21,000	20,000
b)	Closing Stock	: Materials	34,400	36,000
		W/P	15,200	16,000

c) Interest remitted but ignored in cost accounts ₹ 800.
d) Interest charged but not considered in financial accounts ₹ 6000.
e) Preliminary expenses w/off ₹ 13,000.
f) Overheads expenses charged in financial accounts are ₹ 1,21,200 but overheads recovered in cost accounts are ₹ 1,26,000.

Find out the profit as per Financial Accounts by drawing up a reconciliation statement.

B. While manufacturing a batch of 1000 units the following cost were incurred
Direct Material ₹ 10,000
<u>Direct Labour</u>
Department A 800 hours @ ₹ 5 per hour
Department b 1400 hours @ ₹ 6 per hour
Factory overheads are absorbed on labour hour basis and the rates are ₹ 7 per hour for Department A and ₹ 4 per hour for department B. The firm uses cost plus system for selling price and expects a 25% gross profit (sales value minus factory cost). Administrative overheads are absorbed at 10% of selling price. calculate selling price per unit.

C. The annual demand of the product is 24000 units. It is produced in batches. After each batch is completed, the set up cost is ₹ 750. The annual carrying cost is ₹ 2.25 per unit. What would be the Economic Batch Quantity.

D. A transport company is running 5 buses between two towns which are50 kms apart. The seating capacity of each bus is 50 passengers. Following particulars were obtained from their books for the month of April 2021.

Wages of Drivers & Conductors	24,000
Salaries of Office Staff	10,000
Diesel, Oil & others	3,50,000
Repairs & Maintenance	80,000
Insurance & Taxes	16,000
Depreciation	26,000
Interest & other expenses	20,000

Actual passengers carried were 75% of seating capacity. All the buses run on all days of the month. Each bus made one round trip per day. Prepare Operating cost sheet and calculate the cost per passenger km.

E. Explain the need for reconstruction of costing profit with financial profit.

F. What are the various essential requirements for success of cost control?

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