# GVM's GGPR College of Commerce \& Economics, Farmagudi- Ponda, Goa. <br> B.Com (Semester VI) Intra Semester Assessment (Test-I), January 2020 <br> ADVANCED COST ACCOUNTING-I (DSE 5) 

Duration: 30 minutes
Marks: 10

1. A factory uses a Job Costing system. The following cost data are available from the books
for the year ended $31^{\text {st }}$ March 2018.
(10 marks)
Direct Materials
₹9,00,000
Direct Wages ₹7,50,000
Profit ₹ $6,09,000$
Selling and Distribution overhead ₹5,25,000
Administrative overhead ₹4,20,000
Factory Overhead ₹ 4,50,000

## Required:

a. Prepare a Job cost sheet indicating the Prime cost, Work Cost, Production cost, Cost of sales and Sales value.
b. In 2018-19, the factory has received an order for a number of jobs. It is estimated that the direct materials would be ₹ $12,00,000$ and direct labour would cost ₹ $7,50,000$. What would be the price for the jobs if the factory intends to earn the same rate of profit on sales, assuming that the selling and distribution overhead has gone up by $15 \%$. The factory recovers factory overheads as a percentage of direct wages and administrative and selling and distribution overheads as a percentage of work cost, based on the cost rates prevalent in the previous year.

## OR

2. a. Briefly explain the concept and procedure involved in Job Costing.
(5 marks)
b. Compute the Economic Batch Quantity for a company using Batch Costing with the following information:
(5 marks)
Annual demand for the component 24,000
Set-up Cost per batch ₹120
Annual carrying cost per unit of production ₹ 0.36
