

GVM'S G.G.P.R .COLLEGE OF COMMERCE AND ECONOMICS, FARMAGUDI , PONDA.
INTRA SEMESTER ASSESSMENT TEST I OF SEMESTER V JULY 2014

T.Y.B.COM.

COST AND MANAGEMENT ACCOUNTING (MAJOR I)
(Process costing and Integral accounting)

MARKS :10

DURATION : 30 minutes

- Instructions: 1. Answer Question No. 1.
2. Working notes should form part of your answer.

Q. 1. Following is the information of a handbag manufacturing factory producing cotton handbags, for the month of March 2014. (10 marks)

- Cotton handbag raw material – 3,000 kgs @ ₹ 80 per kg.
- Direct labour :
 - Skilled men – 100 men @ ₹ 10 per day for 25 days.
 - unskilled men – 200 men @ ₹ 8 per day for 25 days.
- Direct expenses:
 - Special design charges - ₹ 65,000
- Sale of cotton raw material waste – ₹ 200 kgs @ ₹ 10 per kg.
- Manufacturing overheads - @ 20 % of the (net) direct materials.
- Sale of factory scrap – ₹ 600.
- Office overheads – 10% of the works cost.
- Selling overheads :
 - Variable – 50% of direct labour.
 - Fixed – 100% of direct labour.
- Total output for the month – 20,000 cotton handbags.
- Output sold for ₹ 6,00,000.

There was neither work-in-progress nor finished goods stock at the beginning or end of the month.

Prepare a cost sheet for the month of March 2014 indicating therein cost per unit for each element of cost and selling price per unit.

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