

Goa Vidyaprasarak Mandal's

GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND ECONOMICS

PONDA - GOA

B.COM. CBCS (SEMESTER III) SUPPLEMENTARY EXAMINATION – AUGUST, 2021

FUNDAMENTALS OF COST ACCOUNTING

Duration: 2 Hours

Marks: 40

Instructions:

1. Answer any **four** questions from **Q. No. 1 to Q. No. 6.**
2. Figures to the right indicate the marks allotted to the questions.
3. Give **working notes** wherever necessary.

Q. 1.

(10)

From the following particulars prepare a Cost Statement for the year ending 31st March 2021.

Particulars	Amount	Particulars	Amount
Purchase of Raw-Materials	475000	Wages	175000
Carriage inward	12500	Indirect wages	10000
Works Managers Salary	20000	Direct Charges	15000
Indirect consumption of materials	5000	Carriage outward	10000
Loss on sale of plant	300	Legal expenses	500
Discount on sale	300	Power expenses	9500
Advertisement expenses	600	Sales	1000000
Income tax paid	2000	Sale of scrap	1000
Advance tax paid	5000	Debenture Interest	5000
Transfer to Sinking Fund	10000	Haulage	1000
Goodwill written off	15000	Factory rent	4000
Sales commission	5000	Bank charges	500
Loose tools written-off	10000	General expenses	3000

Particulars	As on 1.4.2020	As on 31.3.2021
Stock of Finished Goods	₹ 16000	₹ 45000
Stock of Raw-Materials	₹ 50000	₹ 60000
Work-in Progress	₹ 25000	₹ 20000

Q. 2.**(10)**

H Ltd. Undertook a contract for construction of a culvert for a price of ₹1250000, subject to a retention of 20% of the amount of work certified. The contract work started on 1st July 2020. The following are the details shown in the books as on 30th June 2021.

Particulars	₹
Labour on site	405000
Materials purchased at site	420000
Materials from stores	81200
Plant issued to site	80000
Direct expenses	23000
General overheads allocated to the contract	37100
Work certified by the engineer	1100000
Work uncertified	16500
Cash received on account	880000
Materials in hand as on 30 th June 2021	6300
Wages accrued as on 30 th June 2021	7800
Direct expenses accrued as on 30 th June 2021	1600
Depreciation on plant charged at 12.5% p. a.	-

Prepare:

1. Contract Account for the year ended 30th June 2021.
2. Extract of Balance Sheet as on 30th June 2021.

Q. 3.**(10)**

A product passes through three distinct processes. The following information is obtained from the accounts for the month of July 2021.

Particulars	Total	Process 1	Process 2	Process 3
Direct materials	₹ 17970	₹ 5200	₹ 5670	₹ 7100
Direct wages	₹ 18000	₹ 4000	₹ 6000	₹ 8000
Production overheads	₹18000	-	-	-
% of Normal loss to input		5%	10%	15%
Value of scrap per unit		₹ 2	₹ 4	₹ 5
Output during the month		1900 units	1680 units	1500 units

2000 units @ ₹ 3 each were introduced in Process 1. There was no stock of materials and work-in-progress at the beginning or at the end of the period. The output of each process passes directly to the next process and finally to finished stock. Production overheads are recovered on the basis of direct wages. Prepare Process I, Process II and Process III Account.

Q. 4. (a)**(5)**

The following information relates to building contract for ₹1000000. You are required to prepare contract account for the year ending 31st December 2020.

Particulars	Amount	Particulars	Amount
Materials issued	300000	Material at site on 31 st December 2020	5000
Direct wages	220000	Plant at site on 31 st December 2020	7000
Sub contract charges	12000	Debris removal charges	10000
Plant issued	14000	Work uncertified	8000
Supervision charges	10000	Cash received	600000
General expenses	6000	Work certified	750000

Q. 4. (b)**(5)**

A product passes through two processes. The quantity of raw materials introduced in process I is 20000 kg. at ₹ 10 per kg. The output of Process I is transferred to Process II and the output of Process II is transferred to the warehouse. The cost and output data for the month of July 2021 is given below. You are required to prepare Process I and Process II Account.

Particulars	Process I	Process II
Direct materials	₹ 60000	₹ 40000
Direct labour	₹ 40000	₹ 30000
Production overheads	₹ 39000	₹ 40250
Sale value of scrap	₹ 2	₹ 3
Normal loss	8%	5%
Output	18000 kg.	17400 kg.

Q. 5. (a)**(5)**

A factory produces a standard product. The following information is available for the month of July 2021. Prepare a cost sheet showing total cost for the month of July 2021.

Direct material.....	₹ 9,00,000
Direct wages.....	₹ 2,00,000
Direct expenses.....	₹ 1,00,000
Factory overheads.....	₹ 2,00,000
Office overheads.....	₹ 1,40,000
Selling & distribution overheads.....	₹ 20 per unit sold
Opening stock of finished goods.....	₹ 1,60,000 (1000 units)
Closing stock of finished goods.....	2000 units
Units produced during the month.....	10000 units
Selling price per unit.....	₹ 250 per unit

Q. 5. (b) Explain accounting treatment of defectives. (2)

Q. 5. (c) Explain the objectives of cost accounting (any three points). (3)

Q6. Answer the following (any four) (10)

1. Write a short note on cost.
2. Write a short note on factory cost.
3. Write a short note on cost centre.
4. Write a short note on incomplete contract.
5. Write a note on semi-variable cost.
6. Explain accounting treatment of spoilage.
