

Goa Vidyaprasarak Mandal's

GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND ECONOMICS

PONDA- GOA

B.COM. CBCS (SEMESTER-III) SUPPLEMENTARY EXAMINATION, DECEMBER, 2020

FUNDAMENTALS OF COST ACCOUNTING

Duration: 2 Hours

Marks: 40

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate the marks allotted to the questions.
3. Give working notes wherever necessary.

Q. 1. Answer any TEN of the following:

(2 Marks each)

1. Explain any four objectives of cost accounting.
2. Write a short note on inter process profit.
3. Write a short note on abnormal gain.
4. Explain the accounting treatment of defectives.
5. Write a short note on indirect expenses.
6. Write a short note on works cost.
7. Write a short note on cost plus contract.
8. Write a short note on incomplete contract.
9. Write a short note on normal loss.
10. Write a short note on work uncertified.
11. Write a short note on cost unit.
12. Explain the classification of cost on the basis of behaviour.
13. Explain any two points of difference between cost accounting and financial accounting.
14. Calculate direct material cost from the following:

Particulars	₹	Particulars	₹
Opening stock of materials	20000	Materials returned to the suppliers	10000
Purchase of materials	250000	Materials lost by fire	5000
Carriage inward	2000	Closing stock of materials	30000

15. From the following calculate factory overheads:

Particulars	₹	Particulars	₹
Power	40000	Factory insurance	20000
Lubricants	10000	Office staff salary	30000
Advertising	15000	Sales commission	15000

16. From the following calculate the amount of profit on contract:

Particulars	₹	Particulars	₹
Total expenditure till date	1220000	Work certified	1600000
Contract price	2000000	Work uncertified	40000
Cash received (75% of work certified)	1200000	Materials at site	40000

Q. 2. Answer any FOUR of the following:

(5 Marks each)

1. From the information given below prepare Process Account and Abnormal Loss Account:

- Units introduced -1000 tonnes @ ₹ 125 per tonne
- Wages ₹ 28000
- Factory overheads ₹ 8000
- Normal wastage - 5% of the initial quantity introduced
- Output 830 tonnes
- Normal loss - 10% of the initial quantity introduced
- The scrap realises ₹ 80 per tonne.

2. From the following information prepare a Cost Sheet for the month of November 2020

Particulars	₹	Particulars	₹
Stock of materials on 1 st November 2020	25000	Direct wages	17200
Stock of materials on 30 th November 2020	26200	Direct expenses	1200
Purchase of materials	21900	Factory overheads	8300
Carriage on purchases	1100	Office overheads	3200
Non-productive wages	800	Selling overheads	4200
Sales of finished goods	72300		

3. The product of a manufacturing concern passes through two processes A and B and then to finished stock. It is ascertained that in each process normally 5% of the total weight is lost and 10% is scrap which from Process A and B realises ₹ 80 per tonne and ₹ 200 per tonne respectively.

The following are the figures relating to both the processes:

Particulars	Process A	Process B
Materials in tonnes	1000	70
Cost of materials per tonne	₹ 125	₹ 200
Wages	₹ 18000	₹ 12000
Manufacturing expenses	₹ 6000	₹ 6000

Prepare Process A and Process B Accounts.

4. On 1st April 2019, M/s Mario & Co. undertook a contract for construction of culvert for ₹ 2400000. It was expected that the contract would be completed on 31st December 2020. You are required to prepare contract account for the year ending 31st March 2020 from the following particulars. Wages ₹ 600000, special plant ₹ 200000, materials ₹ 300000, overheads ₹120000. Depreciation to be provided on plant @ 10% p. a. Material lying at site on 31st March 2020 was ₹ 40000. Work Certified was ₹ 1600000 and 80% of the same is received in cash. Work uncertified amounted to ₹ 58200.
5. The following information is obtained from the books of Om Enterprise for the month ended 30th November 2020.

Particulars	₹	Particulars	₹
Direct materials	90000	Administrative overheads	42000
Direct wages	75000	Selling & distribution overheads	52500
Factory overheads	45000	Profit	60900

- a. Prepare Cost Sheet for the month ended 30th November 2020.
- b. For the month of January 2021, the enterprise has received an order. It is estimated that the direct materials required will be ₹ 120000 and direct labour would cost ₹ 75000. What should be the price of the order if the enterprise intends to earn the same rate of profit on sales. The factory overheads are recovered as percentage of direct wages. Administration overheads are 20% of works cost and selling & distribution overheads are 40% of works cost.
6. Mr. Bharat undertook a contract at contract price of ₹ 750000, which began on 1st July 2019. On 31st March 2020, when the accounts are closed the following information was available.

Particulars	₹	Particulars	₹
Materials issued to site	55000	General overheads	20000
Direct expenses	5000	Materials at site at the end	5000
Wages paid	20000	Cash received	200000
Plant installed	200000	Work certified	250000
Site office costs	10000	Work uncertified	18000

Additional information:

Plant costing ₹ 5000 and materials costing ₹ 2000 were destroyed by accident. The plant was installed on the date of the contract and depreciation is to be provided at 10% p. a.
Prepare Contract account for the year ended 31st March 2020.
