

Goa Vidyaprasarak Mandal's
Gopal Govind Poy Raiturcar College of Commerce and Economics, Ponda – Goa
T. Y. B.COM. SEMESTER VI (REPEAT) EXAMINATION CBCS SYSTEM
November 2022

Advanced Cost Accounting II - DSE 7

Time: 2 hours

Maximum Marks: 80

Instructions:

- 1) Q. 1 is Compulsory.
- 2) Answer any three questions from Q.no.2. to Q.no.6.
- 3) Figures to the right indicate maximum marks.
- 4) Question paper consists of 4 pages.

1. The following data is available for the month of November 2022:

➤ Opening work-in-progress – nil

(20 marks)

Costs incurred during the month	₹
Materials	30,000
Direct labour	6,000
Overheads	12,000

Units of production	Units
Received in the process	20,000
Completed and transferred	18,000
Closing WIP	750
Normal loss in process	1,250

Production in process & scrapped units shall be valued as follows	
Materials	100%
Direct labour	50%
Overheads	50%

- Scrap value shall be Rs. 0.50 per unit.
- Prepare:
1. The statement of equivalent production
 2. The statement of cost per equivalent units
 3. The statement of evaluation
 4. The process a/c.

2. Prepare the contract account and also state the tender price from the following. (20 Marks)

Particulars	₹
Direct material	36,000
Wages	24,000
Special plant issued (cost)	16,000
Stores issued	6,400
Loose tools issued	3,000
Cost of tractor issued	39,000
Running material	2,000
Wages of driver	3,200
Workmen's welfare expenses	2,400

The contract was completed in 20 weeks at the end of which period the special plant was returned subject to depreciation of 20% on the original cost. The value of loose tools and stores returned at the end of the period were ₹ 2,000 and ₹ 800, respectively. The depreciation to be charged on the tractor was at 20% p.a. The office overheads are provided at 15% on works cost. The contract was executed at a Profit of 20% on total cost.

3. Prepare the necessary ledger a/cs for the following transactions of Highfi Ltd., under Non-Integral System of Accounting. (20 Marks)

Particulars	₹
Raw materials purchased on credit	3,60,000
Direct materials issued to production	2,20,000
Wages and salaries paid	1,20,000
Direct wages allocated to production	50,000
Salaries allocated to production	70,000
Works overheads incurred	46,000
Works overheads charged to production	56,000
Finished product completed, at cost	1,60,000
Sale of goods on credit	2,00,000

4.A. Pass journal entries, with narration, for the following transactions based on the integral System of Accounting. (10 Marks)

Particulars	₹
Materials purchased (40% on credit)	2,00,000
Issue of direct materials for production	60,000
Payment to creditors	80,000
Direct expenses of job paid	45,000
Factory overheads incurred	43,000
Factory overheads charged to production	46,000
Sale of finished goods (60 % on credit)	3,00,000
Cash collected from debtors	70,000

4.B. Explain the terms “Cost Plus Contract” and “Escalation Clause”, as used in Contract Costing. (10 Marks)

5.A. A certain product passes through 2 different processes before it is completed and transferred to the finished stock. The output of each process is transferred to the next process at a profit of 20% on transfer price till it is transferred to finished stock. The following data is obtained for the month of November 2022: (10 Marks)

Particulars	1	2
	₹	₹
Direct materials	30,000	25,000
Direct wages	20,000	15,000
Stock as on 30 th November 2022	11,000	10,000

Stocks in process were valued at prime cost and finished stock has been valued at the price at which it was received from the third process.

Prepare only Process 1 and 2 a/cs, respectively.

5.B. Discuss Cost drivers & cost pool as in Activity Based Costing (10 Marks)

6. Write Short notes on the following (any 4)

(4 x 5 marks = 20)

- a) Work uncertified
- b) Activity Based Costing
- c) Features of Uniform Costing
- d) Unrealized profit on closing stock
- e) Features of Integral Accounting

-----End of Question paper (4 pages) -----