

Goa Vidyaprasarak Mandal's  
**GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND  
 ECONOMICS, PONDA-GOA**  
**B.COM. (SEMESTER – VI) Repeat EXAMINATION, Nov. 2023**  
**ADVANCED COST ACCOUNTING-I (DSE 5)**

Duration:- 2 Hours

Marks: 80

- Note:- 1. Question No.1 is Compulsory**  
**2. Answer any three questions from the remaining**  
**3. Figures to the right indicate maximum marks**

Q.1) A factory uses job costing. The following cost data is obtained from its books for the year ended 31<sup>st</sup> March, 2023. **(20 Marks)**

	<u>Amount</u>
Direct Materials	₹ 90,000
Direct wages	₹ 75,000
Profit	₹ 60,900
Selling and Distribution overheads	₹ 52,500
Administration overheads	₹ 42,000
Factory overheads	₹ 45,000

- a) Prepare job cost sheet indicating Prime cost, Works cost, cost of Production, cost of Sales and Sales value.
- b) The factory received an order for a number of jobs. It is estimated that direct materials required would be ₹2,20,000 and direct labour cost will be ₹1,80,000. What should be the price for these jobs if the factory intends to earn the same rate of profit on sales assuming that Selling and Distribution overheads have gone up by 10%. The factory recovers factory overheads as a percentage of direct wages and administration and Selling and Distribution overheads as a percentage of works cost, based on cost rates prevailing in the previous year.

Q.2) The net profit of Deekan Pvt. Ltd. appeared at ₹41,800/- as per financial records for the year ended 31<sup>st</sup> March 2022. The cost accounts, however showed a net profit of ₹1,11,900 for the same period. A scrutiny of the figures from both the set of accounts revealed the following facts.

**(20 Marks)**

	<b>AMOUNT</b>
Works overheads under charged in cost Accounts	₹ 1,500
Adm overheads over charged in cost Accounts	₹ 850
Depreciation charged in financial Accounts	₹ 5,600
Depreciation charged in cost Accounts	₹ 6,250
Interest on investments not included in Cost A/c	₹ 3,000
Lost due to obsolescence charged in Financial Accounts	₹ 2,850
Income tax debited in Financial Accounts	₹ 20,150

Bank interest credited in Financial Accounts	₹ 370
Stores Adjustment (credit)in Financial books	₹ 230
Value of opening stock: Cost Accounts	₹ 24,800
: Financial Accounts	₹ 26,300
Value of closing stock: Cost Accounts	₹ 25,000
: Financial Accounts	₹ 23,000
Interest charged in cost Accounts	₹ 2,000
Rent charged in cost Accounts	₹ 1,000
Goodwill written off in Financial Accounts	₹ 5,000
Loss on sale of furniture	₹ 600
Selling expenses charge in Financial Accounts	₹ 10,000
Donation to P.M Relief Fund charged in Financial Accounts	₹ 5,100
Transfer to Reserves in Financial Accounts	₹ 9,000
Transfer to Divided Equity Fund in Financial Accounts	₹ 20,500

You are required to prepare

- 1) Memorandum Reconciliation Account
- 2) Statement showing reconciliation of net profits as per cost accounts and net profit as shown in Financial Accounts.

Q.3) Mr. Raju owns a bus which runs according to the following schedule: **(20 Marks)**

1. Goa to Hubli and back the same day

Distance Covered	: 168 kms one way
Number of days run each month	: 8 days
Seating capacity occupied	: 100 %

Cost of Bus	₹8,00,000
Salary of driver	₹3,400 p.m.
Salary of Conductor	₹4,200 p.m.
Salary of Accountant	₹400 p.m.
Insurance of the Bus	₹800 p.m.
Road tax	₹250 p.m.
Lubricant oil	₹ 10 per 100 kms
Permit fees	₹315 pm
Repairs and maintenance	₹1000
Depreciation	@ 20% p.a.
Diesel consumption 4kms per litre at ₹ 6 per litre	

Calculate the bus fare to be charged from each passenger to earn a profit of 30% on total takings.

- Q.4) a) What do you mean by job costing? State the various advantages and disadvantages of job costing. **(10 Marks)**
- b) What is service costing? In which organisations service costing is generally applied.

**(10 Marks)**

Q.5)

- a) What is batch costing? Explain the meaning and procedure of calculating economic batch quantity. **(10 Marks)**
- b) Differentiate between cost control and cost reduction. **(10 Marks)**

- Q.6) a) Why reconciliation of costing profit and financial profit is required. **(15 Marks)**  
b) What are various techniques of cost control? Explain in brief. **(05 Marks)**