Examination October/November 2024

UCOD126

Total No. of Printed Pages: 03

Bachelor of Commerce (Semester- VI)

Cost & Management Accounting Major VII - Advanced Cost Accounting II

[Time: 2 Hours] **[Max. Marks: 80]**

Instructions: a) Q1. Compulsory

b) Any 3 to be answered from Q2 to Q6.

c) Figures to the right indicate full marks.

Q1 Product A passes through three processes before it is transferred to finished stock. The Following data is obtained for the month of July 2023: **(20)**

Particulars	Process I (Rs)	Process II (Rs)	Process III (Rs)	Finished Stock (Rs)
Opening Stock	5,000	8,000	10,000	20,000
Direct Materials	40,000	12,000	15,000	---------
Direct Wages	35,000	40,000	35,000	---------
Manufacturing Overhead	20,000	24,000	20,000	---------
Closing Stock	10,000	4,000	15,000	30,000
Profit % on transfer price to next process	25%	20%	10%	---------
Inter-process profit for opening stock	---------	1,395	2,690	6,534

Stocks in processes are valued at prime cost and finished stock has been valued at the price at which it is received from process-III. Sales during the period were Rs. 4,00,000. From the above information prepare the Process Cost Accounts and the Finished Stock Account showing the profit element at each stage.

Q2 Modern Constructions Ltd, Commenced a contract on 1st Jan 2023. The contract was for Rs. 10,00,000 (estimated by the contractor) and was accepted by Modern Construction Ltd at 10% less. It was decided to estimate the total profit and to take to the credit of Profit and Loss A/C the proportion of estimated profit on cash basis which the work completed bore to the total contract. Actual expenditure for 2023 and estimated expenditure for 2024 are given to below; **(20)**

Particulars	2023 (Actual) Rs	2024 (Estimated) Rs.
Materials	1,50,000	2,60,000
Labour: Paid	1,00,000	1,20,000
Accrued	10,000	---------
Plant Purchased	80,000	---------
Expenses	40,000	71,000
Plant returned to store on 31st Dec (Cost)	20,000	50,000 (on 30-9-2024)
Material at site	10,000	---------
Work Certified	4,00,000	Full
Work Uncertified	15,000	---------
Cash Received	3,00,000	Full

The plant is subject to annual depreciation @20% of Original Cost. The contract is likely to be completed on 30th September 2024. You are required to prepare the Contract Account for the year ending 31-12-2023 and determine the profit to be credited to Profit & Loss A/C for the year ended 31-12-2023, assuming that the plant costing Rs. 10,000 would be exhausted on the contract site during the course of the second year and would be normal loss.

Q3 The following are the cost ledger balances as on 1st Jan 2023: **(20)**

Particulars	Amount (Rs)
Cost Ledger Control A/C	21,800
Stores Ledger Control A/C	7,000
Work in Progress Control A/C	12,800
Finished Goods Control A/C	2,000

The following information is given for the year 2023:

Particulars	Amount(Rs)
Purchase of materials (credit)	40,000
Direct Factory wages	60,000
Manufacturing Expenses	34,600
Selling and Distribution Expenses incurred	5,400
Materials issued to production	37,200
Manufacturing expenses recovered	34,440
Selling and Distribution Expense recovered	5,320
Sales	1,50,000
Stock of materials on 31-12-2023	9,800
Stock of finished goods on 31-12-2023	4,700
Work in Progress at 31-12-2023	14,700

You are required to prepare the General Ledger Adjustment A/C, Stores Ledger Control A/C, Work in Progress Control A/C under non-integrated costing system.

Q4 A) Journalize the following transactions in the integrated books on accounts: **(10)**

Particulars	Amount(Rs)
Raw materials purchased	40,000
Direct materials issued to production	30,000
Wages paid (30% indirect)	24,000
Wages charged to production	16,800
Manufacturing expenses incurred	19,000
Manufacturing overheads charged	18,400
Selling and Distribution cost	4,000
Finished Products(at Cost)	40,000

B) In Process "A" 10,000 units were introduced during April 2023. 2,000 units 80% complete in respect of materials and 60% complete in respect of labour and overhead remained as work in progress at the end of the month. **(10)**

The process cost during the month were:

Materials: Rs. 48,000
Labour: Rs. 27,600
Overheads: Rs. 18,400

There is no loss in the process.
You are required to prepare

1) Statement of Equivalent Production
2) Statement of Cost Per Unit
3) Evaluation of Equivalent Production Units

Q5 A) Define Uniform Costing, Discuss the objectives of Uniform Costing. **(10)**

B) Describe the pre-requisites to be considered for Inter-Firm Comparison. **(10)**

Q6 Write short notes on **any four**: **(4×5=20)**

a) Equivalent Production
b) Cost Plus Contract
c) Implementation of Activity Based Costing
d) Need for Uniform Costing
e) Benefits of Inter-Firm Comparison