

**Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND ECONOMICS
FARMAGUDI, PONDA - GOA**

**B.COM. UGC-CCFUP (SEMESTER- III) REGULAR EXAMINATION OCTOBER/NOVEMBER 2024
CCA-201 - METHODS OF COSTING - I**

Duration: 2 hrs

Marks: 80

Instructions:

1. All questions are compulsory.
2. Internal Choices are given.
3. Figures to the right indicate maximum marks to the questions.

Q1 A) Answer the following question: -

(2x8 Marks)

- 1) What is Unit Costing? (CO 1, BL 1)
- 2) Recall and write any two features of Batch Costing. (CO 2, BL 1)
- 3) What is Financial Profit? (CO 3, BL 1)
- 4) What is Reconciliation? (CO 4, BL1)
- 5) What do you understand by Defectives? (CO1, BL 1)
- 6) Which Industries use Job Costing? (CO 2, BL 1)
- 7) Recall and write any two features of non-integral accounting. (CO 3, BL 1)
- 8) What is Cost Profit? (CO 4, BL1)

Q2 A) The following is information related to Fans being produced by Ramakrishna company for the year ended 31st March 2024. You are required to show the Cost sheet for 1000 Fans with unit cost for each element of cost.

(CO1, BL 2) (12 Marks)

Particulars	Amount(₹)
Opening stock of Raw Material	40,000
Direct wages	1,36,000
Office Expenses	24,000
Purchases of Raw Material	2,40,000
Depreciation on Machinery	10,000
Salary to factory manager	30,000
Donation	10,000
Printing and Stationery	12,000
Opening stock of Finished goods	50,000
Repairs on Plant and Machinery	8,000
Scrap of factory	1,000
Closing stock of Finished goods	5,000
Commission on sales	4,000
Postage and Telegram	6,000
Direct expenses	4,000
Office repairs	6,000
Sales	5,86,900

OR

Q2 B) Classify and write about the different types of Costs associated with the business.

(CO1, BL 2) (12 Marks)

Q2 C) The following is information related to Projectors being produced by Mitaj company for the year ended 31st March 2020. You are required to show the Cost sheet for the same.

(CO1, BL 2) (4 Marks)

Particulars	Amount (₹)
Direct Material	18,000
Direct Expenses	20,000
Direct Wages	30,000
Office Expenses	25,000
Selling Expense	50 % of Prime cost

A profit margin of 20 % on total cost of goods sold is expected on sale. Calculate sale and profit.

Q3 A) Following information is available for the Job 345, which is being produced at the request of the customer.

(CO2, BL 3) (12 Mark)

Particulars	Department A	Department B	Department C
Materials Consumed	₹50,000	₹45,000	₹32,000
Direct Labour:			
Wage rate per hour	₹5	₹6	₹3
Direct labour hours	300	200	500

In accordance with the company policy the following are chargeable to jobs :

Fixed production Overheads – ₹ 5 per direct Labour hour

Variable Overheads :

Department A : ₹ 2,500 for 250 working hours

Department B : ₹ 3,000 for 300 working hours

Department C : ₹ 4,500 for 90 working hours

Administration overheads – ₹ 50,000

Construct a Job Cost sheet and calculate the total cost of the Job.

Q3 B) As a cost accountant for a manufacturing company that uses batch production methods, how would you apply the objectives of batch costing to improve the efficiency of production?

(CO2, BL 3) (4 Marks)

OR

Q3C) XYZ Manufacturing Ltd. produces electrical components in batches. Each batch consists of 500 units, and the company uses batch costing to calculate production costs. The following information is provided for Batch No. 453:

(CO2, BL 3) (4 Marks)

- Direct Material: ₹ 50,000
- Direct Labour: ₹ 20,000
- Direct Expenses: ₹ 10,000
- Factory Overheads: 50% of Prime cost
- Administrative Overheads: ₹ 12,000

Task:

a) Calculate the total cost of the batch and the cost per unit of the product.

Q4) Antara chemicals Ltd started operation on 1st January 2020. Following transactions took place till the year ended 31st December 2020. Solve and pass journal entries. (CO 3, BL 4) (12 Marks)

Particulars	Amount(₹)
Materials Purchased on Credit	18,00,000
Materials issued to Production	13,00,000
Purchased material for specific job paid in cash	70,000
Materials returned to suppliers	1,50,000
Total wages paid	75,000
Cash collected from debtors	1,25,000
Payment of Factory overheads	18,00,000
Transferred to Finished goods	20,00,000
Transferred to Profit and Loss account	50,000

Q4 B) As a financial analyst in a small manufacturing company, discuss the key features of non-integral accounting and explain how each feature could be applied to enhance the company's financial management, decision-making, and operational efficiency.

(CO 3, BL 3) (4 Marks)

OR

4 C) Ledger of Kashvi International shows the following balances as on 1st April 2022.

(CO 3, BL 3) (4 Marks)

Particulars	Debit (₹)	Credit (₹)
Stores Ledger control account	70,000	
WIP control account	48,000	
Finished goods control account	75,000	
General ledger control account		1,93,000
Total	1,93,000	1,93,000

You are required to prepare the following ledger accounts under Non-Integrated form of accounting:

- Stores Ledger control account
- WIP control account
- Finished goods control account
- General ledger control account

Q5 A) The net profit of Kavyal co ltd. As appearing in the financial records for the year ending 31st March 2024 is ₹1,48,100. The cost books, however showed a net profit of ₹ 1,48,500. A scrutiny of the figures from both the sets of accounts revealed the following facts.

(CO 4, BL 4) (12 Marks)

Particulars	Amount (₹)
Works overhead under-recovered in cost	4,000
Administrative overheads over-recovered in costs	9,000
Depreciation charged in financial accounts	10,000
Depreciation recovered in costs	12,200
Interest on investments not included in costs	5,000
Loss due to obsolescence charged in financial accounts	1,000
Under-absorption of Production Overheads	1,300
Income-tax paid shown in financial accounts	1,500

Stores adjustments (credit) in financial books	6,000
Value of Opening stock in : Cost accounts	7,800
: Financial Accounts	10,800
Value of Closing stock in : Cost accounts	7,500
: Financial Accounts	15,000
Selling and Distribution overheads undercharged	8,000
Goodwill written off	5,000
Loss on the sale of furniture	2,000
Profit on Sale of old Machinery	1,100
Preliminary expenses written off	8,700
Bank interest and transfer fee credited in financial books	3,300

Prepare a Reconciliation statement, reconciling both the profits.

Q5 B) **XYZ Ltd.** has a profit of ₹5,00,000 in its cost accounts, while the financial accounts show a profit of ₹4,50,000. (CO 3, BL 3) (4 Marks)

1. **Identify two reasons** why the profit differs between cost and financial accounts.

OR

Q5 C) You are required to prepare Memorandum Reconciliation Account from the following information obtained from ABC company for year ended 2019-2020 and find financial profit

(CO 3, BL 4) (4 Marks)

Particulars	Amount in ₹
Profit as per costing records	2,22,500
Work Over head over-absorbed in cost accounts	5,500
Closing stock undervalued in cost accounts	4,500
Bank interest and Transfer fees	10,500
Selling and distribution over-head recovered less in cost accounts	7,800
Depreciation Under-charged in cost	3,600
