

B.C.C.A. (Part-II) (CBCS Pattern) Semester-III
UBCCAT302 - Cost Accounting

P. Pages : 4

Time : Three Hours



GUG/W/24/10627

Max. Marks : 80

- Notes : 1. All questions are compulsory.
2. All questions carry equal marks.

1. a) Explain the importance & Scope of cost Account. 8
- b) From the following extract of costing information for the month of October 2023. Prepare a statement of cost. 8

Particular	Rs.
Stock of Raw Material (1.10.2023)	5,000
Work in progress (1.10.2023)	2,800
Opening stock of Finished goods (7000 units)	20,100
Purchase of raw material	40,000
Direct wages	10,000
Indirect wages	1,000
Factory supervisors salary	1,500
Administration expenses	6,300
Factory rent and rates	200
Selling & Distribution Expenses: 20 paise per unit, sold 20,000 units were produced during the period	
Stock of raw material (31.10.2023)	3,000
Work in progress (31.10.2023)	1,900
Closing stock of finished goods (2000 units)	7,000
Selling price per unit : Rs. 4	

OR

- c) Following are the particulars for the production of 2000 sewing machines of Ganesh Engineering Company Ltd. for the year 2022. 16

Particulars	Rs.
Cost of Materials	1,60,000
Wages	2,40,000
Manufacturing expenses	1,00,000
Rent, Rates and Insurance	20,000
Selling expenses	60,000
General expenses	40,000
Salaries	1,20,000
Sales	8,00,000

The company plants to manufacturer 3000 sewing machines during 2023.

You are require to submit a statement showing the price at which machines could be sold, as to show a profit of 10% on the selling price.

The following additional informing is supplied to you:

- a) Price of materials are expected to rise by 20%.

- b) Wages rates are expected to show an rise by 10%
- c) Manufacturing expenses will rise in proportion to the combined cost of materials and wages.
- d) Selling expenses per unit will remain the same.
- e) Other expenses will remain unaffected by the rise in output.

2. a) From the following data prepare a reconciliation statement.

8

Particulars	Rs
Profit as per cost account	14,55,000
Works overhead under recovered in cost	95,000
Administrative overheads under recovered in cost	2,27,500
Selling overheads over recovered in cost	1,95,000
Overvaluation of opening stock in cost accounts	1,50,000
Overvaluation of closing stock in cost accounts	75,000
Interest earned during the year	37,000
Rent received during the year	2,70,000
Bad debts written of during the year	90,000
Preliminary expenses written off during the year	1,80,000

- b) Financial profit and loss account of a Rudra Manufacturing Company for the year ended 31st March 2020 is as-

8

Particular	Rs.	Particular	Rs.
To Material	50,000	By Sales	1,24,000
To Carriage Inwards	1,000	By Dividend received	1,000
To Direct Wages	34,000		
To Works Expenses	12,000		
To Admini. Expenses	11,000		
To Goodwill Written off	2,000		
To net Profit	15,000		
	1,25,000		1,25,000

Net profit shown by cost Account for the year Rs. 15,400 on details comparison of the two set of account it is found that.

Amount charged in the cost account in respect of overhead charged are as follows-

Works overhead charged Rs. 11,300

Office overhead charged Rs. 12,300

Reconcile the profit shown by sets of account.

OR

- c) Prepare 1) Cost-Statement 2) Profit and Loss Account 3) Reconciliation Statement

16

Particular	Rs.
Opening Stock of Raw Material	1,44,000
Opening Stock of Finished goods	2,88,000
Purchase of Raw Material	8,64,000
Stock of Raw Material at the end	2,16,000
Stock of Finished article at the end	72,000
Wages	3,60,000

Calculate Factory on Cost at 20% of Prime Cost and Office on Cost at 80% of Factory on Cost. Actual Works Expenses amounted Rs. 2,27,150 and office expenses amounted Rs. 1,85,950. The selling price was fixed at 20% above.

3. a) Cost of production of process 'A' is Rs. 19,400 of process 'B' is Rs. 19,805 and of process 'C' is Rs. 20,460. If the production from one process to another is transferred at cost price. What will be the amount of materials consumed in all processes. If the following more information are given. 8

Particular	Process A (Rs.)	Process B (Rs.)	Process C (Rs.)
Labour	320	236	188
Repairs	28	33	14
Factory exp.	192	11	67

- b) A product passes through three process A, B and C and then to completion. During the month January 2015 the finished product was 1,000 units and the following was the expenditure. 8

	A (Rs.)	B (Rs.)	C (Rs.)
Materials	2,000	4,000	2,000
Labour	10,000	8,000	6,000
Direct expenses	1,000	1,200	2,000

Indirect expenses amounted in all Rs. 12,000 these are to be allocated on the basis of labour charges. Raw materials worth Rs. 12,000 were issued to process A.

OR

- c) A product of the firm passes through three processes A, B & C. Your have given the following information. 16

Particulars	Process A	Process B	Process C
Raw materials used in Quintals	200	104	84
Cost of materials (Rs.)	19,200	20,720	3,000
Direct wages (Rs.)	5,760	7,600	5,000
Direct expenses (Rs.)	3,840	3,800	2,200
Normal Loss (%)	6%	5%	5%
Output transferred to next process	50%	40%	--
Output transferred to warehouse	50%	60%	100%

Overhead Rs. 18,360 to be charged 100% of direct wages prepare process accounts & per quintal in each process.

4. a) The following information is extracted from the books of a contractor relating to contract No. 101 which was commenced on 1st July 2023. 8

Particular	Rs.
Material purchased directly	63,000
Material supplied from stores	26,000
Direct Wages	1,12,000
Chargeable expenses	14,600
Plant purchased	50,000
Material returned to stores	12,000

The contract was completed at the end of the financial year ending 30th June 2024 and the contract price of Rs. 2,50,000 was received in full. On completion of the contract, plant was returned to stores after charging depreciation at 10% for full year. Indirect expenses are to be charged at 20% of direct wages. Prepare Contract Account.

- b) The following is the summarised record as on 31.12.2023 of all transaction relating to contract no. 130 which was commenced on 1.1.2023 and completed during the year. 8

Particular	Rs.
Wages	21,440
Expenses directly chargeable	2,940
Plant installed	18,000
Value of plant at site on 31.12.2023	10,000
Materials Purchased directly	12,700
Materials supplied from stores	5,200
Indirect Expenses	3,000
Total Contract Price	60,000
Materials at site in 31.12.2023	900

Prepare Contract no. 130 Account

OR

- c) Following expenses were incurred by a contracture on a contract which he started on 1st January 2023. 16

Particular	Rs.
Materials	80,000
Wages	1,00,000
Other Expenses	30,000
Plant at Cost	1,00,000
Work certified	2,40,000
Work uncertified	1,20,000
Materials on hand on 31 st December 2023	22,000
Plant value at close	86,000
Cash received from contractee	2,00,000
Materials returned to stores	4,000

Prepare Contract Account and Work-in-progress account assuming that the contract price was Rs. 7,00,000. How will work-in-progress appear in the Balance sheet of the contractor.

5. Write short notes:

- a) Advantages of cost accounting. 4
- b) Needs of reconciliation. 4
- c) 'Abnormal wastage' in process account. 4
- d) Certified work and Uncertified work. 4
