

M.Com. New CBCS Pattern Semester-II  
**PCC2C02 - Advanced Cost Accounting**

P. Pages : 6

Time : Three Hours



**GUG/W/23/13682**

Max. Marks : 80

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

1. a) Define the Concept of Cost Accounting. Explain the Advantages of Cost Accounting. **16**

**OR**

b) Calculate the machine hour rate from the following particulars relate to processing machine treating a typical material: **16**

- i) Cost of Machine – Rs. 10,000
- ii) Estimate life – 10 years.
- iii) Scrap value – Rs. 1,000
- iv) Yearly working time (50 weeks of 44 hours each) – 2,200 hours
- v) Machine maintenance 200 hours p.a.
- vi) Setting up time estimated at 5% of total productive time and is regarded as productive time.
- vii) Electricity is 16 units per hour at 10 paise per unit.
- viii) Chemical required weekly Rs. 20.
- ix) Maintenance cost per year – Rs. 1,200
- x) Two attendants control the operations of machine together with 6 other machines. Their combined weekly wages are Rs. 140.
- xi) Departmental overhead allocated to this machine per annum Rs. 2,000.
- xii) Bank holidays 5 days in a year also political disturbances 2 days in a year.
- xiii) On bank holidays and political disturbances factory was in working.

2. a) Nagpur chemicals co. Ltd produced three chemical during the month of July 2021 by three consecutive process. Scrap which from process (1) and (2) realizes Rs. 100 per ton and from process (3) Rs. 20 per ton. **16**

In each process 2% of weight put-in is lost and 10% is scrap.

Particulars	Process 1	Process 2	Process 3
Production transferred to next process	75%	50%	-
Production transferred to godown	25%	50%	100%
Material in tons	2,000	280	2,696
Cost of materials	4,40,000	56,000	2,15,680
Wages	41,000	37,040	30,000
General Exp.	20,600	14,480	6,200

Prepare process Account showing cost per ton of each product.

**OR**

- b) 20,000 units were introduced in process 'A' at a cost of Rs. 3,00,000 after processing these units we get an o/p from process 'A' 17,500 units and from process 'B' finally produced the finished product of 17,000 units. The other details were as follows. 16

Particulars	Process - A	Process - B
Material Cost	20,000	30,000
Labors	80,000	1,20,000
Overheads	70,000	98,500
Normal loss of I/P (input)	10%	4%
Sale of scrap units	Rs. 10 P.U.	Rs. 20 P.U.
There was no opening and closing stock		

Prepare process 'A' A/c, Process 'B' A/c, Normal Loss A/c, Abnormal Loss A/c and Abnormal gain A/c.

3. a) Contractor Baba undertook the contract of construction on 1<sup>st</sup> April 2020. The contract price is 30 lakh. The following details are available relating to contract No. 120 for the year ended on 31<sup>st</sup> March 2021. 16

Particulars	Amount
Material Purchase	8,00,000
Material Supplied from Store	1,00,000
Labour engage on Site	3,00,000
Plant at Site	4,00,000
Direct Expenses	2,00,000
Establishment Charges	50,000
Wages accrued on 31 <sup>st</sup> March 2021	60,000
Direct Expenses accrued on 31 <sup>st</sup> March 2021	80,000
Cash Received from Contractee (Which is 80% of Work Certified)	20,00,000
Value of Work uncertified	1,00,000
Material Returns to Stores	50,000
Material in Hand on 31 <sup>st</sup> March 2021	20,000
Plant in Hand on 31 <sup>st</sup> March 2021 (After providing Depreciation 1,00,000)	3,00,000

Prepare Contract A/c No. 120 in the books of Baba and show the effect of incomplete contract in balance sheet.

**OR**

- b) Alok Construction Co. Ltd. is engaged in two contracts 'X' and 'Y' during the year. Following information was available at the end of the year. 16

Particulars	Contract – X	Contract – Y
Date of Commencement	1 <sup>st</sup> April	1 <sup>st</sup> Sept.
Contract price	6,00,000	5,00,000
Material Delivered Direct to Site	1,20,000	50,000
Material Issued from Store	40,000	10,000
Material Returned to Store	4,000	2,000
Material on Site on 31 <sup>st</sup> March	22,000	8,000
Direct Labour Payment	1,40,000	35,000

Direct Expenses	60,000	30,000
Architect's Fees	2,000	1,000
Establishment Charges	25,000	7,000
Plant Installed at Cost	80,000	70,000
Value of Plant on 31 <sup>st</sup> March	65,000	64,000
Accrued Wages on 31 <sup>st</sup> March	10,000	7,000
Accrued Expenses on 31 <sup>st</sup> March	6,000	5,000
Cost of Contract not Certified	23,000	10,000
Cost of Contract Certified	4,20,000	1,35,000
Cash Received from Contractee	3,78,000	1,25,000

During the period, materials amounting to Rs. 9,000 have been transferred from contract – 'X' to contract – 'Y'. You are required to show:

- Contract Account 'X' and 'Y'
- Contractee's A/c

**4.** a) From the following information relating to a hotel, calculate the room rent to be charged to give a profit of 25% on cost excluding interest. **16**

- Salaries of staff: Rs. 80,000 p.a.
- Wages of the room attendant: Rs. 2 per day.  
There is a room attendant for each room. He is paid wages only when the room is occupied.
- Lighting, heating and power:
  - The normal lighting expenses for a room for the whole month is Rs. 50, when occupied.
  - Power is used only in winter and the charges are Rs. 20 for a room, when occupied.
- Repairs to buildings: Rs. 10,000 p.a.
- Linen etc: Rs. 4,800 p.a.
- Sundries: Rs. 6,600 p.a.
- Interior decoration and furnishing: Rs. 10,000 p.a.
- Depreciation @ 5% is to be charged on buildings costing Rs. 4,00,000
- Depreciation to be charge 10%, on Equipment.
- Interest to be charged @ 5% on investment in buildings and equipments amounting to Rs. 5,00,000
- There are 100 rooms in the hotel 80% of the rooms are generally occupied in summer and 30% in winter. The period of summer and winter may be considered to be of 6 months in each case. A month may be assumed of 30 days.

**OR**

- b) Union Transport Company supplies the following details in respect of a truck of 5 ton capacity.

16

Cost of truck,	Rs. 2,70,000
Estimated life	10 Years
Scrap value of truck after 10 years	Rs. 14,400
Diesel, oil grease	Rs. 45 Per per trip each way
Repairs and Maintenance	Rs. 1,500 per month
Driver's wages	Rs. 1,500 per month
Cleaner's wages	Rs. 750 per month
Insurance	Rs. 9,250 per year
Tax	Rs. 4,800 per year
General supervision charges	Rs. 14,400 per year
Depreciation-straight line method	

The truck makes one trip daily and carries goods to and from the city covering a distance of 50 km each way.

On the outward trip, freight is available to the extent of full capacity and a return 20% of capacity. Assuming that the truck runs on an average 25 days a month.

Find out:

- Operating cost per ton-Km.
- Rate per ton per trip that the company should charge if a profit of 50% a freightage is to be earned.

5. Write short note:

- Explain the objective of cost accounting. 4
- Explain the difference between Cost accounting and Managerial accounting. 4
- Explain the benefits of cost accounting. 4
- Explain the difference between expenditure control and expenditure reduction. 4

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- सुचना :- 1. सर्व प्रश्न अनिवार्य आहेत.  
2. सर्व प्रश्नांना समान गुण आहेत.

- |    |    |  |    |
|----|----|--|----|
| 1. | अ) | परिव्यय लेखांकनाची संकल्पना स्पष्ट करा. परिव्यय लेखांकनाचे फायदे विशद करा. | 16 |
|    |    | किंवा  |    |
|    | ब) | इंग्रजी माध्यमानुसार   | 16 |
| 2. | अ) | इंग्रजी माध्यमानुसार   | 16 |
|    |    | किंवा  |    |
|    | ब) | इंग्रजी माध्यमानुसार   | 16 |
| 3. | अ) | इंग्रजी माध्यमानुसार   | 16 |
|    |    | किंवा  |    |
|    | ब) | इंग्रजी माध्यमानुसार   | 16 |
| 4. | अ) | इंग्रजी माध्यमानुसार   | 16 |
|    |    | किंवा  |    |
|    | ब) | इंग्रजी माध्यमानुसार   | 16 |
| 5. |    | थोडक्यात उत्तरे लिहा.  |    |
|    | अ) | परिव्यय लेखांकनाची उद्दिष्ट्ये स्पष्ट करा.                                 | 4  |
|    | ब) | परिव्यय लेखांकन आणि प्रबंधकीय लेखांकनातील फरक स्पष्ट करा.                  | 4  |
|    | क) | परिव्यय अंकेक्षणाचे लाभ स्पष्ट करा.  | 4  |
|    | ड) | परिव्यय नियंत्रण आणि परिव्यय कपात या मधील फरक स्पष्ट करा.                  | 4  |

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- सुचनाएँ :- 1. सभी प्रश्न अनिवार्य हैं।  
2. सभी प्रश्नों को समान अंक हैं।

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|----|----|---|----|
| 1. | अ) | लागत लेखांकन की संकल्पना को परिभाषित करें। लागत लेखांकन के फायदों को स्पष्ट करें। | 16 |
|    |    | <b>अथवा</b>   |    |
|    | ब) | अंग्रेजी माध्यम के अनुसार।  | 16 |
| 2. | अ) | अंग्रेजी माध्यम के अनुसार।  | 16 |
|    |    | <b>अथवा</b>   |    |
|    | ब) | अंग्रेजी माध्यम के अनुसार।  | 16 |
| 3. | अ) | अंग्रेजी माध्यम के अनुसार।  | 16 |
|    |    | <b>अथवा</b>   |    |
|    | ब) | अंग्रेजी माध्यम के अनुसार।  | 16 |
| 4. | अ) | अंग्रेजी माध्यम के अनुसार।  | 16 |
|    |    | <b>अथवा</b>   |    |
|    | ब) | अंग्रेजी माध्यम के अनुसार।  | 16 |
| 5. |    | संक्षिप्त में उत्तर लिखिए।  |    |
|    | अ) | लागत लेखांकन के उद्देश्यों को स्पष्ट करें।  | 4  |
|    | ब) | लागत लेखांकन और प्रबंधकीय लेखांकन के बीच अंतर स्पष्ट करें।                        | 4  |
|    | क) | लागत लेखांकन के लाभों को स्पष्ट किजिए।  | 4  |
|    | ड) | व्यय नियंत्रण और व्यय में कमी के बीच अंतर स्पष्ट किजिए।                           | 4  |

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