

B.B.A. CBCS Pattern Semester-III
UCB3C06 - Cost Accounting

P. Pages : 4

Time : Three Hours



GUG/W/23/10603

Max. Marks : 80

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

1. a) Explain the meaning & scope of Cost Accounting. 8
b) From the following information prepare cost statement of Akhil manufacturing Co. Ltd. 8

	Rs.
Raw material (01.04.2022)	35,000
Raw material (31.03.2023)	40,000
Purchase of Raw material	2,10,000
Direct Wages	95,000
Direct Expenses	28,500
Carriage Inward	6,500

Works overhead 40% of wages
Office overhead 30% on works cost
Profit is 20% on selling price.

OR

- c) Bajaj Scooters Ltd. manufactured 150 scooters in the year 2021. Its summarized Trading and Profit & Loss Account is given below: 16

Trading and Profit & Loss Account

Particulars	Rs.	Particulars	Rs.
To Material	1,20,000	By Sale	6,00,000
To Direct Wages	1,80,000		
To Manufacturing Exp.	75,000		
To Gross Profit c/d.	2,25,000		
	6,00,000		6,00,000
To Salaries	90,000	By Gross Profit b/d	2,25,000
To Rent	15,000		
To General Exp.	30,000		
To Selling Exp.	45,000		
To Net Profit	45,000		
	2,25,000		2,25,000

For the year 2022 it is estimated:

- i) The output and sales will be 100 scooters
- ii) Price of material will rise by 20% on the previous year level.
- iii) Wages rate will rise by 10%
- iv) Manufacturing Exp. will increase in proportion to the combined cost of material and wages.
- v) Other exp. will remain unaffected by tall in output.
- vi) Selling exp. per unit remain unchanged.

Prepare a statement showing the price at which each scooter to be manufactured in 2022 should be sold so as to show a profit of 20% on cost price.

2. a) From the following information prepare reconciliation statement. The profit shows as per Cost Account Rs. 2,20,700 and as per Financial Account Rs. 2,49,040. 8

Particulars	Cost A/c. (Rs.)	Fin. A/c. (Rs.)
Factory overhead	90,000	95,000
Office overhead	1,22,000	1,08,000
Depreciation	40,000	45,000
Interest received	--	38,900
Selling overhead	65,000	72,000
Transfer fees	--	15,500
Loss on sale of Assets	--	7,300
Opening stock of Raw material	42,420	38,180
Closing stock of Finished goods	1,10,000	90,000

- b) The net profit shown by the cost Accounts for the year 2022 is Rs. 60,500 and as per Financial books it is Rs. 51,160. Upon a detailed comparison of the two sets of Accounts it is found that, 8

- i) Overhead charged in cost book Rs. 17,500 and in financial book it was recorded Rs. 12,700.
 - ii) Director fees Rs. 1,750 was not recorded in cost book.
 - iii) Provision for doubtful debt Rs. 1,220 not included in cost book.
 - iv) Share transfer fees Rs. 1,880.
 - v) Income tax paid Rs. 12,200
 - vi) Depreciation charged in financial book Rs. 850.
- Prepare Reconciliation Statement.

OR

- c) Trading and Profit & Loss Account of Mr. Sunil brothers for the year ended 31st March 2023 is given below. 16

Particulars	Rs.	Particulars	Rs.
To Material	60,000	By Sales	2,60,000
To Wages	40,000	By Dividend received	12,000
To Factory Exp.	45,000		
To Office Exp.	30,000		
To Selling Exp.	15,000		
To Net Profit	82,000		
	2,72,000		2,72,000

Other information:

- i) In cost books factory overhead charged at 80% of wages.
- ii) Office overhead are charged at 20% of factory cost.
- iii) Selling overhead were charged Rs. 12,500.

You are required to prepare: (a) Statement of cost (b) Re-conciliation statement.

3. a) From the following information prepare process 'B' Account.

8

	Rs.
Transfer from Process 'A'	56,400
Information of Process 'B':	
Material	1,44,000
Wages	64,000
Other Expenses	22,000
Sale of scrap	8,000

Calculate the Amount which transfer to process "C".

- b) From the following information prepare process 'A' and 'B' Account.

8

Particulars	Process 'A' (Rs.)	Process 'B' (Rs.)
Material	60,000	15,000
Wages	30,000	15,000
Factory Exp.	9,000	6,750
Opening stock	--	4,500
Closing stock	4,500	6,000
Sale of Scraps	2,250	3,000

For the production total indirect expenses of Rs. 6,000.

OR

- c) From the following information prepare process Cost Account showing cost of output & cost per unit at each stage of production.

16

Particulars	Process 'X' (Rs.)	Process 'Y' (Rs.)	Process 'Z' (Rs.)
Material	24,000	--	--
Wages	6,400	12,000	29,250
Machine Exp.	3,600	3,000	3,600
Factory overhead	2,000	2,250	2,400
	Units	Units	Units
Production (gross)	37,000	--	--
Scrap (loss)	1,000	1,500	500
Opening stock	--	4,000	16,500
Closing stock	--	1,000	5,500

4. a) A contractor took a contract for the construction of a building on 1st April 2022. The contract price was agreed at Rs. 2,80,000. The contractor has made the following expenditure during the year.

8

	Rs.
Material	67,600
Wages	76,000
Other Expenses	4,400
Plant sent to contract	12,800
Material in hand at the end	3,200
Certified work	1,56,000
Cash received	1,21,600
Uncertified work	5,400
Plant in hand	10,000

Prepare Contract Account

- b) Following are the details of expenditure on a contract upto 31st March 2023 which commenced on 1st April 2022.

8

	Rs.
Material	2,00,000
Wages	2,70,000
Supervision	11,000
Plant (Depreciation 20% p.a.)	36,000
Other charges	15,000
Cash received (80% of work certified)	4,00,000
Uncertified work	16,000
Material in hand at the end	13,000
Contract price	10,00,000

Prepare Contract Account.

OR

- c) Mr. Ganesh a contractor provided information related to a contract for the year ended on 31st March 2023.

16

	Rs.
Contract Price	18,00,000
Share Capital	5,40,000
Sundry Creditors	72,000
Bank A/c.	98,700
Land & Building	3,96,000
Expenses to Contract:	
Material	3,72,000
Plant	1,32,000
Wages	5,52,000
Other Exp.	21,300

Cash received being 80% of work certified Rs. 9,60,000. Plant costing Rs. 21,000 & material costing Rs. 19,200 was destroyed by fire. Plant costing Rs. 24,000 returned to store. Material on site was Rs. 14,400 & uncertified work was Rs. 10,800. Depreciation charge on plant 10% p.a.

Prepare Contract A/c. & Balance Sheet for 2023.

5. Write short answer:

- a) Importance of Cost Accounting. 4
- b) What is Reconciliation Statement? 4
- c) Characteristics of Process Costing. 4
- d) Distinguish between “Certified Work” and “Uncertified Work”. 4
