

Stocks in Processes are valued at Prime cost and finished stock has been valued at the price at which it was received from process II. Sales during the period were Rs.1,40,000.

Prepare and compute:

- (a) Process cost accounts showing profit element at each stage and
- (b) Stock valuation for balance sheet purposes

30. The following details are available from the books of accounts of a contractor with respect to a particular construction work for the year ended 31st March

	Rs.
Contract price	91,00,000
Cash received from Contractee (90% of work certified)	71,91,000
Material sent to site	35,82,600
Cost of plant installed at site	7,00,000
Direct expenses	1,68,000
Establishment expenses	2,03,000
Material returned to store	14,840
Head office expenses apportioned	2,50,000
Cost of work uncertified	3,17,000
On 31 st March 2019:	
Material at site	85,400
Accrued direct wages	78,120
Accrued direct expenses	9,130
Value of plant (as revalued)	6,16,000

You are required to prepare the Contract Account for the year ended 31st March 2019 and also show the relevant Balance sheet entries.

31. What is Budgetary control? State the main objectives of budgetary control. What are the main steps in budgetary control?

(2 × 15 = 30 Marks)

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(Pages: 4)

Name:

Reg. No.....

FOURTH SEMESTER B.Com. PROFESSIONAL DEGREE EXAMINATION, APRIL 2022

(CUCBCSS-UG)

CC17U BCP4 B14 - APPLIED COST ACCOUNTING

(B.Com. Professional - Core Course)

(2017 Admission onwards)

Time: Three Hours

Maximum: 80 Marks

PART A

Answer *all* questions. Each question carries 1 mark.

A. Choose the correct answer:

1. The most suitable cost system where the products differ in type of material and work performed is
a) Operating costing b) Job costing c) Process costing d) All of these
2. In order to determine cost of the products or services, different business firms follow:
a) Different techniques of costing b) Uniform costing
c) Different methods of costing d) Operating costing
3. Equivalent production of 1,000 units, 60% is complete in all respects is:
a) 1,000 units b) 1,600 units c) 600 units d) 1,060 units
4. The type of process loss that should not be allowed to affect the cost of good units is called:
a) Standard loss b) Normal loss c) Abnormal loss d) Seasonal loss
5. Sales budget is a -----
a) Expenditure budget b) Functional budget
c) Master budget d) None of these

B. Fill in the blanks:

6. In contract costing, the cost unit is -----
7. When actual cost is less than the standard cost, it is known as ----- variance.
8. ----- cost are incurred after split off point
9. Batch costing is a type of ----- costing.
10. Cost of service under operating is ascertained by preparing -----

(10 × 1 = 10 Marks)

PART B

Answer any *eight* questions. Each question carries 2 marks.

11. What do you mean by Escalation clause?
12. What are equivalent units?
13. Define operating costing.
14. What is EBQ?
15. What is sub contract?

(1)

Turn Over

- 16. What is zero base budgeting?
- 17. What is daily log sheet?
- 18. Define scrap. Name two kinds of scrap.
- 19. What is cost plus contract?
- 20. What do you mean by calendar variance?

(8 × 2 = 16 Marks)

PART C

Answer any *six* questions. Each question carries 4 marks.

- 21. Write a brief note on Master Budget
- 22. How to calculate profit on incomplete contracts?
- 23. Distinguish between joint products and By-products.
- 24. Explain the features of job costing.
- 25. Prasad transport company has been given a route of 20 km long to run a bus. The bus costs Rs. 12,50,000 with an estimated useful life of 5 years. It is insured @ 3% pa of the cost. Annual tax amounted to Rs. 25,000. The garage rent is Rs. 5,000 per month. Annual repair cost is estimated as Rs. 50,000.
The driver is paid a salary of Rs. 7,500 per month and the conductor is paid Rs. 5,000 per month in addition to 10% takings as commission to be shared equally by them. Office stationery would Rs. 1,000pm and Office salaries Rs. 10,000 pm
Diesel will cost @. Rs.30 per litre and the bus would travel a distance of 5 Km per litre The bus will make 3 round trips carrying on an average 40 passengers on each trip. Calculate the fare to be charged from each passenger. The bus will operate for 25 days in a month
- 26. Z Ltd. had a profit plan approved for selling 5,000 units per month at an average selling price of Rs. 10 per unit. The budgeted variable cost of production was Rs.4 per unit and the fixed costs were budgeted at Rs.20,000, the planned income being Rs. 10,000 per month. Due to shortage of raw materials, only 4,000 units could be produced and the cost of production increased by 50 paise per unit. The selling price was raised by Rs. 1.00 per unit. In order to increase the production process, an expenditure of Rs. 1,000 was incurred for research and development activities.
You are required to prepare a performance budget and a Summary report.
- 27. The data given below, calculate material variances.

Raw materials	Consumption for 100 units of a product	
	Standard	Actual
A	40 units @ Rs. 50 per unit	50 units @ Rs. 50 per unit
B	60 units @ Rs. 40 per unit	60 units @ Rs. 45 per unit

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- 28. A newly appointed Cost Accountant, you find that the selling price of Job No. 9669 has been calculated on the following basis:

Particulars	Amount
Materials	12.08
Direct wages – 22 hours at 25 paise per hour	5.50
Department A – 10 hrs	
B - 4 hrs	
C - 8 hrs	
Prime Cost	<u>17.58</u>
Plus 33% on prime cost	5.86
	<u>23.4</u>

An analysis of the previous years profit and loss account shows the following:

Particulars	Amount
Materials used	77,500
Direct wages:	
A	5,000
B	6,000
C	4,000
Factory overheads:	
A	2,500
B	4,000
C	1,000
Selling costs	30,000

Draw up a job cost sheet.

(6 × 4 = 24 Marks)

PART D

Answer any *two* of the following. Each question carries 15 marks.

- 29. A certain product passes through two processes desired before it is transferred to finished stock. Following information is obtained for the month of March 2016.

Items	Process I	Process II	Finished stock
Opening stock	7,500	9,000	22,500
Direct material	15,000	15,750	
Direct wages	11,200	11,250	
Production overheads	10,500	4,500	
Closing stock	3,700	4,500	11,250
Profit % on transfer price to the next process	25%	25%	
Inter-process profits for opening stock	---	1,500	8,250

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Turn Over