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SUBJECT CODE NO:- 3048
FACULTY OF COMMERCE AND MANAGEMENT
B.Com. S.Y. (Sem-IV)
Examination March/April-2022 (To Be Held In June/July-2022)
Cost Accounting -II

[Time: 3.45 Hours]

[Max. Marks: 80]

Please check whether you have got the right question paper.

- N.B
- 1) question No.1 compulsory
 - 2) Attempt any four questions from Q.no.2 to Q.no.7
 - 3) Use for calculator is allowed
- Q.1
- A) Select the most appropriate answer 05
- 1) The total of all direct expenses is known as ----- cost
 - a) Prime cost b) factors cost c) selling cost d) cost of product
 - 2) Insurance and garage rent is -----
 - a) Maintenance charges b) fixed charges c) operating charges d) running charges
 - 3) Operating costing is suitable for -----
 - a) Contractors b) Job order business c) service Industries d) sugar industries
 - 4) Tender is an -----
 - a) Estimation of cost b) estimation of profit
 - c) estimation of selling price d) estimation of units
 - 5) In brief ----- is the activity of finding out the cost of products and services
 - a) Management accounting b) financial accounting
 - c) corporate accounting d) cost accounting
- B) Answer in one sentence 05
- 1) What is total cost?
 - 2) What is direct cost?
 - 3) Object of Process costing
 - 4) What is semi – variable cost
 - 5) Operating costing is a _____
- C) Fill in the blanks and rewrite the sentence 05
- 1) Loss on Incomplete contract is transferred to -----account
 - 2) ---- is the process of determining and accumulating the cost of product or activity
 - 3) Total cost plus profit is -----
 - 4) In case of complete contract the whole amount of profit is transferred to -----
 - 5) Process costing Is suitable for -----
- D) State whether following statement are true or false. 05
- 1) The basic element of cost are material labour expenses and overheads.
 - 2) Costing helps in cost control and cost reduction
 - 3) The variable cost remains fixed per unit or output
 - 4) Contract costing is a method used in civil engineering works plant installation etc.

5) Job costing and contract costing are the forms of operating costing

Q.2 The following data have been extracted from books of Gajanan industries Ltd. For the year 2021. 15

Opening stock	25,000
Purchases of raw material	85,000
Closing stock of raw material	40,000
Carriage in ward	5,000
Wages –Direct	75,000
-Indirect	10,000
Other direct charges	15,000
Rent and rates –factory	5,000
-Office	500
Indirect consumption of material	500
Depreciation – plant	1500
- Office furniture	100
Salary –office	2500
-Salesman	2000
Other factory expenses	5,700
Other office expenses	900
Managing director’s remuneration	12,000
Other selling expenses	1000
Travelling expenses of salesman	1100
Carriage and freight outward	100
Sales	2,50,000
Advertisement	2000

Managing director’s remuneration is to be allocated Rs.4000 to factory Rs. 2000 to the office and Rs.6000 to selling depts. From the above information prepare

- Prime cost
- Works cost
- Cost of production
- Cost of sales
- Net profit

Q.3 You are required to prepare contract account showing the profit on the contract on 30 April 2021 from the following particulars 15

	Rs.
Contract price	1,00,000
Material sent to site	32,250
Labour engaged on site	27,400
Plant installed at site	5650
Work certified	71,500
Cash received from contractee	65,000
Valu of plant as on 30 April 2021	4100

Cost of work done but not certified	1700
Direct expenditure	1200
Cost of establishment	1625
Wages outstanding at 30 April 2021	900
Material in hand on 30 April 2021	700
Direct expenses out standing on 30 April 2021	100
Material returned to store	200

- Q.4 The product of factory passes through three process of manufacture the output of each process is transferred to the next process at cost on completion. The stock which consists of raw material to be valued at cost per unit of the preceding process
From the following particulars prepare process cost account showing the cost of the output and the cost per unit at each stage of production.

	Process A Rs.	Process B Rs.	Process C Rs.
Direct wages	9000	10000	26000
Machine expenses	6000	5000	10,000
Factory overhead	9000	3000	7000
Raw material consumed	30,000	-	-
	Units	Units	Units
Units put in (across)	75,000	-	-
Wastage	3000	1000	2000
Opening stock	-	8000	23000
Closing stock	-	4000	6000

- Q.5 Ascertain the cost per ton kilometer from the following particulars
- Cost of truck Rs.310000
 Estimated scrap value Rs. 10000
 Life : 5 years
 Capacity : 4 tons
 Average daily distance covered: 200 k.m (100 k.m outward and 100 kms. Return)
 Working day in a month: 25 days
 Freight: full capacity outward , 50% on return journey
 Annual charges :
- | | |
|------------------------|-----------|
| Insurance | Rs.6,000 |
| Repairs of maintenance | Rs.4,500 |
| Garage rent | Rs.5000 |
| Taxes | Rs.10,000 |

Interest on cost of truck	Rs.54,000
Tyre, Battery etc	Rs.6,300
Monthly charges:	
Driver's salary	Rs.750
Coolies wages	Rs.500
Petrol etc	Rs.100 for every 100 kms.

Q.6 Explain the meaning , objectives and advantages of reconciliation 15

Q.7 Write short notes on (any three) 15

- 1) Element of cost
- 2) abnormal cost
- 3) work certified
- 4) cost classification
- 5) process costing