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Shree Damodar College of Commerce & Economics, Margao-Goa
SY B.Com, Semester- III, Semester End Examination, November 2023
Fundamentals of Cost Accounting (CC 10)

Duration: 2hrs

Max Marks: 80

Instructions:

- i. Q.1 is compulsory
- ii. Answer any three from Q.2 to Q.6.
- iii. Start each question on fresh page
- iv. Figures to the right indicate maximum marks.
- v. Working notes from the part of the answer and carries marks.

Q1) From the following information of Tata Consultancy Services Ltd., for the year ended 31st March 2023, prepare cost sheet showing a) Prime Cost b) Work Cost c) Cost of Production d) Cost of goods sold and e) Profit

Particulars	Amount (Rs.)
Opening Stock of Raw Materials	1,10,000
Purchases of Raw Materials	8,25,000
Carriage Outwards	28,500
Direct Wages	4,21,400
Direct Power	25,840
Technical Directors Salary	40,590
Factory Rent, Rates & Insurance	10,140
Sales of Factory Scraps	1,460
Depreciation on factory building	75,200
Closing work in progress	1,20,260
Factory stationery	12,340
Opening stock of finished goods	45,280
Closing stock of Raw Materials	36,920
Fees to Brand ambassador	2,00,000
Stationery and printing	12,200
Staff salaries	6,30,000
Trade discount	1,20,000
Office rent	60,000
Free sample expenses	20,320
Closing stock of finished goods	50,240

Sales are made to earn profit @ 20% on cost price.

(20 Marks)

Q2) An article has to undergo 2 process before it becomes ready for sale. From the following information Prepare Process I and Process II Account.

Particulars	Process I (Rs)	Process II (Rs)
Raw Materials	1000	-
Cost per tonne	400	-
Direct Labour	1,00,000	70,000
Overhead	45,000	11600
Loss in Weight (Normal)	5%	10%
Scrap is sold at Rs.100 per tonne.	50	30
Selling price per tonne	700	1000

Additional information

- Office expenses are Rs. 12,000, Selling Expenses are Rs. 10,000 and Distribution expenses are Rs. 6,000.
- 2/3 of production of process I is carried to Process II and Half of production is sold in the market.

(20 Marks)

Q3) Hindustan Construction company has undertaken two contracts during the year and the following particulars are available as on 31st March 2023:

Particulars	Contract 131 (Rs.)	Contract 132 (Rs.)
Contract price	10,00,000	23,00,000
Material Issued to Contract	1,65,200	2,24,500
Labour	1,02,800	1,26,500
Sub-contract Charges	72,800	65,900
Supervision charges	12000	18000
Architect Fees	10,000	15,000
Insurance Charges	3,000	6,100
Work certified	4,00,000	5,00,000
Work uncertified	35,000	40,000
Amount received from Contractee	3,20,000	4,50,000
Closing Stock of Material	9,000	10,000

All contracts commenced during the current year. Total depreciation on plants amounted to be Rs.11,200 and to be allocated to all contracts in the proportion of work certified.

Prepare Contract Accounts showing the calculation of profit to be transferred to Profit and Loss Account.

(20 Marks)

Q4) The product of Alpha Ltd. passes through A and B and then to finished stock. It is ascertained that in each process 5% of that total weight is lost and 10% is the scrap from Process A and B which realises Rs. 100 per tonne and Rs. 220 per tonne respectively.

Following are figures related to both the processes.

Particulars	Process A (Rs.)	Process B (Rs.)
Material in tonnes	1000	70
Cost of Materials in Rs. per tonne	125	200
Wages	28,000	10,000
Manufacturing expenses	8000	5250
Output in tonnes	830	780

Prepare Process cost account showing cost per tonne of each process. There is no stock of work in progress in any process

(20 Marks)

Q 5.) A factory produced and sold 1000 units of a product in July 2023 for which the following particulars are available.

Particulars	Amount
Stock of raw materials on 01.07.2023	12,000
Purchases and receipts of Direct Materials	2,88,000
Direct wages paid in cash (Which includes Rs.6,000 on account of June and an advance of Rs. 2,000 for August)	1,10,000
Works overhead charges for the month	1,20,000
Stock of raw materials on 31. 07. 2023	20,000
Administration overheads Rs. 15 per unit produced	
Selling Overheads Rs. 10 per unit sold	
Sales price Rs. 300 per unit	

From the above particulars you are required to:

- Prepare a cost statement for July 2023.
- Estimate the sales price of 1500 units of the same product to be sold in August 2023, assuming:
 - 20% increase in direct materials cost per unit.
 - 10% increase in direct wages per unit.
 - 5% increase in works overhead charges.

- iv. 10% reduction in administration and selling overheads charges.
- v. Same percentage of profit on sale price.

(20 Marks)

Q6) Write short note on:

(4 X 5 = 20 Marks)

1. Sub – Contract Cost.
2. Classification of Cost.
3. Functions of Cost Accounting
4. Joint product and By- product.