

COST ACCY. II

CODE : TANTALUM

Time : 2 Hrs.

SY (A/F)

4/10/08

Marks : 60

Instructions : 1] Answer all questions.

2] All questions carry equal marks.

Q.1 Model Ltd processes a patent material used in buildings. The material is produced in different grades. Details of process accounts are :-

Particulars	Process I	Process II	Process III
Raw materials used	1000 tonnes	-	-
cost per tonne	Rs. 200	-	-
Manufacturing wages & expenses.	Rs. 87500	Rs.39500	Rs.10,710
Weight loss (% of input in the process)	5%	10%	20%
Scrap (sale price Rs.50 per ton)	50 tons	30 tons	51 tons
Sale price per ton (Rs.)	350	500	800

Management expenses Rs.17500 and selling expenses Rs. 10,000. Two thirds of the output of process I and one-half of the output of process 2 are passed on to the next process and the balances are sold. The entire output of Process 3 is sold.

OR

Q.1 product passes through three Processes. The normal wastage of each process is as follows :-

Process I - 2%, Process II - 4%, Process III - 6% sale of wastage :-

Process I	Re 1 per unit
Process II	Re 1.50 per unit
Process III	Rs. 4 per unit

10,000 units were issued to process I in the beginning at Rs.2 per unit. The other expenses were as follows :-

	Process I (Rs)	Process II (Rs)	Process III (Rs)
Direct material	1000	500	500
Labour	5000	9000	6000
Direct expenses	1100	1200	2000
Actual output	9600 units	9000 units	8500 units

Prepare process Accounts assuming that there were no opening or closing stocks

CODE : TANTALUM

Q.2 Hindustan Machine tools Ltd. furnishes for March 2006, the following information for a department Delux wrist watches manufactured 1000 pieces

Particulars	Rs.
Opening stock of raw materials	4,50,000
Opening stock of finished goods (200 pieces)	3,30,000
Closing stock of raw materials	5,00,000
Closing stock of finished goods (300 peices)	?
Purchase of raw material	7,00,000
Direct labour	4,00,000
Indirect labour factory	1,00,000
Consumption of stores & spares factory	90,000
Sales	19,80,000

Other overheads.	Factory (Rs)	office (Rs)	sales (Rs)
Salary	1,00,000	2,00,000	1,50,000
Electricity	25,000	2000	10,000
Stationery & Printing	10,000	25,000	20,000
Travelling expenses	3000	10,000	50,000
Rent	5000	5,000	5000
Show room expenses	-	-	10,000
miscellaneous expenses	15000	25,000	20,000

The stock of finished goods to be valued at cost of production per unit.

Your are required to prepare costsheet & find profit in total & per unit.

OR

Q.2 The following information is available from a manufacturing industry during the four months ended 31st March 2004.

Particulars

Raw materials consumed	Rs.25,000
Direct labour	Rs.20,000
Direct expenses	Rs.15,000
factory overheads	Rs.20,000
office on cost	30% of works cost
selling on cost	Rs.5 per unit sold.
Units produced	1000
Units sold	800

CODE : TANTALUM

Profit is 20% on sales. You are required to find profit by preparing cost sheet in total and cost per unit.

Q.3 From the following details you are required to prepare cost sheet.

Particulaers	Rs.
Opening Stock of finished goods	1,27,400
Opening stock of raw materials	58,240
Purchase of raw materials	13,28,600
Sales	26,93,600
Productive wages	9,04,540
Closing stock of finished goods	1,36,500
Closing stock of raw materials	61,880
Works overhead charges	2,26,135
office overheads	122782

The Company is about to send a tender for a large plant. The costing department estimated that the materials required would cost Rs. 91000 and the wages to workmen for making the plant would cost Rs.54,600. The tender is to be made at a net profit of 20% on the selling price.

Prepare estimated cost sheet given the above and if company recovers factory overheads as percentage of productive wages and office overheads as a percentage of works cost.

OR

Q.3 Electronics Ltd. furnish the following information for 10,000 TV. Values manufactured during the year 2005.

Particulars	Rs.
Materials	90,000
Direct wages	60,000
Power & stores	12,000
Indirect wages (factory)	15,000
factory lighting	5,500
Cost of rectifying defective work	3,000
office expenses	33,500
Selling expenses	5,500
Sale of scrap	2,000
Plant repairs & denreciation	11.500

CODE : TANTALUM

The net selling price was Rs.31.60 per unit sold and all units were sold.

As from 1st Jan 2006 the selling price was reduced to Rs.31 per unit.

Rates for materials & direct wages will increase by 10% Assuming that 15000 units will be produced and sold during the year and factory overheads will be recovered as a percentage of direct wages & office & selling expenses as a percentage of works cost, you are required to prepare

- a) cost sheet for the year 2005 showing various elements of cost in total & per unit .
- b) Estimated cost & profit for 2006.

Q.4 Explain any three methods of costing.

OR

Q.4 Write short notes on :-

- a) Economic Batch quantity
- b) Cost classification on the basis of behaviour
- c) uniform costing.
