SYAF Cost Accny. II. Oct. 12

**MN10 AFP**

**TIME : 2 Hrs.** **Marks : 60**

**Notes :** 1. All questions are compulsory.
2. Each question carries 15 marks.

**Q.1** Krishna constructors undertook a contract for Rs. 15,00,000 on 1st July 2008. The contract was completed on 31st March 2010. The contractor prepare his accounts on 31st March. The details of the contract are :

| Particulars | Period | |
|---|---|---|
| | From 1.7.2008 to 31.3.2009 | 1.4.2009 to 31.3.2010 |
| | Rs. | Rs. |
| Materials Issued | 1,52,000 | 3,30,000 |
| Direct Wages | 1,25,000 | 4,65,000 |
| Direct Expenses | 30,000 | 45,000 |
| Materials returned to stores | 22,000 | 15,000 |
| Material at site | 20,000 | 8,000 |
| Uncertified Work | 48,000 | — |
| Other Overheads | 23,000 | 66,000 |
| Materials lost by fire | — | 5,000 |
| Work Certified | 3,00,000 | 15,00,000 |
| Plant Issued | 3,00,000 | 1,50,000 |

Provide depreciation @ 20% p.a. on plant.
Prepare Contract Accounts for the year ended 31st March 2009 and 31st March 2010. (15)

**OR**

**Q.1 a.** Calculate EBQ from the following. (5)

| | |
|---|---|
| Annual Demand | 11,000 units |
| Set - up cost per batch | Rs. 210 |
| Carrying Cost | Rs. 5 per unit |

**b.** How Profit is calculated in case of incomplete contracts? (10)

**Q.2** Following are the details of Sweet Sugar Ltd., for the year ended 31st March 2007.
During the year 3600 tons of raw materials was consumed @ Rs. 1,000 per ton.
Direct labour amounted to Rs. 825 per ton of sugar produced.
During the year 2400 tons of sugar was produced.

The details of expenditure was as follows.

| Particulars | Rs. |
|---|---|
| Direct Expenses | 4,20,000 |
| Telephone Charges | 3,52,695 |
| Office Computer Purchase | 2,75,350 |
| Factory Rent & Insurance | 3,54,760 |
| Machinery Purchased | 4,25,560 |
| Commission on Sale | 3,75,650 |
| Machinery Repairs | 98,847 |
| Factory Salaries | 2,19,588 |
| Carriage Outwards | 1,54,090 |
| Packing Expenses | 1,94,450 |
| Bank Interest | 1,65,895 |
| Factory Electricity | 2,61,880 |
| Delivery Van Expenses | 1,06,850 |
| Indirect Materials | 3,80,125 |
| Depreciation on Machinery | 2,49,600 |
| Depreciation on Computer | 2,04,180 |
| Depreciation on Delivery Van | 1,57,360 |
| Office Salaries | 1,89,325 |
| Printing & Stationery | 1,13,000 |
| Sales | 1,08,00,000 |

Prepare a Cost Sheet & Calculate Profit for the year ended 31st March 2007.

**OR**

**Q.2** **a.** What is cost audit? What are its objectives? (8)

**b.** What are the qualifications & disqualifications of cost auditor? (7)

**Q.3** Joy Manufacturing Company supplies you the following information for the year 31st March 2005.

| Particulars | Processes | | |
|---|---|---|---|
| | A | B | C |
| Raw Materials introduces in the process (units) | 12,000 | 2,440 | 2,600 |
| Cost of Raw Materials per unit ( in Rs.) | 5 | 5 | 5 |
| Direct Wages (Rs.) | 34,000 | 24,000 | 15,000 |
| Production Overheads (Rs.) | 16,160 | 16,200 | 9,600 |
| Normal Loss (% on number of units entering to the process having no realisable value) | 4% | 5% | 3% |
| Wastage (% on number of units entering to the process having scrap value) | 6% | 5% | 4% |
| Scape value of wastage per unit (Rs.) | 3 | 4 | 5 |
| Output transferred to subsequent process | 70% | 60% | — |
| Output sold at the end of the process | 30% | 40% | 100% |

**OR**

**Q. 3** Explain the advantage of Cost Audit. (15)

**Q.4** **a.** Sunshine Ltd., furnishes the following information from which you are required to allocate joint cost process wise using weighted average production method.

| Product | Prices | Process (Points) | | |
|---|---|---|---|---|
| | | I | II | III |
| P | 20,000 | 8 | 4 | 4 |
| Q | 24,000 | 10 | 2 | 4 |
| R | 16,000 | 20 | 6 | 6 |

Joint Costs

| Process | Amount (Rs.) |
|---|---|
| I | 1,240 |
| II | 790 |
| III | 300 |

(10)

**b.** Omkar Ltd. furnishes you following information from which you are required to bifurcate the joint cost using point value method.
Joint Cost Rs. 50,000

| Products | Value Per Unit (Rs.) | No. of Units |
|---|---|---|
| A | 5 | 100 |
| B | 3 | 200 |
| C | 2 | 500 |

(5)

**OR**

.4 **a.** What is abnormal loss? How it is calculated? (5)

**b.** Write a note on Cost Records. (10)

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