

Note: All questions are compulsory carrying 15 marks each.

Q1. Attempt ANY TWO Questions:

PQ 3 AGZ

SYBMS (Fin)
Adv. Cost & Adding⁽¹⁵⁾

- a) Product A is obtained after it is processed through two distinct Processes
The following cost information is available for the operation.

Process	C	D
Material	6,00,000	9,06,000
Direct Wages	9,00,000	12,00,000
Direct Expenses	1,50,000	67,800
Production O/H	4,50,000	6,00,000

3,00,000 units @ Rs.5/- per unit were introduced in Process K. The actual output and normal loss of the respective process are:

Process	Output in units	Normal loss on input(%)	Value of scrap per unit(Rs)
Process C	2,76,000	10%	3
Process D	2,61,000	5%	3

There is no work in progress in any process. Prepare all Process Account.

- b) The Asmi Construction Co. undertook the construction of a building at a contract price of Rs.7,20,000. The date of commencement of the contract was 1st April 2014. The following cost information is given for the year ended 31st march 2015:

Particulars	Amount(Rs.)
Materials Issued	1,80,000
Wages paid	2,64,000
Establishment Expenses	33,300
Production Expenses	90,600
Materials destroyed by fire	3000
Uncertified Work	33,000
Closing stock of materials	6000
Cash Received(Being 80% of work certified)	5,67,000
Plant & Machinery at cost(Purchased on 1 st July 2015)	1,20,000

The estimated working life of plant is 10 years and its scrap value at the end of its life is Rs.12000. Prepare Contract A/C in the books of Asmi Construction Co.

- c) Explain the advantages and disadvantages of Process Costing

Q2. Attempt ANY TWO Questions:

(15)

- a) A chemical industry makes a Chemical "X". The Standard material cost required for making 1000units of output is as follows:

Material	Quantity(kgs)	Price per kg(Rs.)
Y	450	20
Z	400	40

During April 2015, 10000 units were produced and the actual cost incurred is as follows:

Material	Quantity(kgs)	Price per kg(Rs.)
Y	5000	18
Z	4250	44

Calculate All Material Variances

Mark - 75

Duration: 2.5 Hrs.

b) The following is gathered from the labour records of Roshan & Co. Following standard details are given for 1 unit of production:

Labour	Time(in hrs)	Rate per hour(Rs.)
Men	40	3
Women	30	1.5

During January 2015 actual production was 1000 units and following are the details:

Labour	Time(in hrs)	Rate per hour(Rs.)
Men	36,000	4
Women	33,000	2

Calculate All Labour Variances

- c) Calculate i) Material Cost Variance ii) Material Quantity Variance iii) Labour Cost variance iv) Labour Rate Variance v) Labour Efficiency Variance

Following are the standard details to produce 1 unit of a product:

Material - 250kg @ Rs.40 per kg

Labour- 1200 hours @ Rs.1 per hour

Actual Production for the month February 2015 was 100 units:

Material- 15000 kgs @ 42 per kg

Labour- 1,18,800 hours @ Rs.1.10 per hour

Q3. Attempt ANY TWO Questions: (15)

- a) Define Errors and explain the different types of errors
- b) Write a short note on Window Dressing
- c) Explain the Principles of Audit

Q4. Attempt ANY TWO Questions: (15)

- a) How would you vouch Cash Sales
- b) Explain the points to be considered while vouching an expense or income
- c) How would you verify Accounts Receivables

Q5. The following information relates to a contract undertaken by M/s. Rajiv Ltd. for Rs.1,00,000 and for which 80% of the value of work certified by the architect is being paid by the contractee.

Particulars	Year I	Year II	Year III
Material Issued	36,000	43,500	24,000
Direct Wages	33,000	46,500	33,000
Direct Expenses	1500	5,100	1800
Indirect Expenses	600	780	150
Work Certified	70,500	2,25,000	3,00,000
Uncertified Work	900	2400	-
Plant Issued	4,200	-	-
Material on site	600	1500	2400

The value of plant at the end of I,II,III year was Rs.3,360, Rs.2100, Rs.900 respectively. Prepare Contract Account for all the three years. (15)