**Bachelor of Commerce with Accountancy, Finance & Insurance Examination: October 2014 Semester - III (Fresh)**

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| --- | --- | --- | --- | --- | --- |
| **Day & Date** | **Paper no.** | **Subject Name** | **Time** | **Code** | **Max. Marks** |
| **Friday****10/10/2014** | **P- I** | **Cost Accountancy** | **11. 00 AM** **to****01. 30 PM** | **340119** | **75** |

**Note: Attempt any three questions from Q.1 to Q.5**

**Q.1 Kumar Ltd. provides following information for the year ended 31 March 2014.**

 **25**

|  |  |
| --- | --- |
| Production & Sales | 30,000 units  |
| Sales | 25,00,000 |
| Direct Wages |  5,00,000 |
| Direct Materials  |  6,80,000 |
| Factory Overheads  |  4,50,000 |
| Office Expenses  |  2,20,000 |
| Sales Expenses  |  2,00,000 |

 **Following changes are expected in the next year –**

1. Production and sales activity will rise by 30%
2. Materials cost will increase by 10%
3. Direct wages will reduce by 10% due to automatic machines
4. Office expenses & Selling expenses will in proportion to increase in Sales
5. Sales price will increase by 25%

Prepare a statement of cost for the year and also for the next year and profitability.

**Q2. M/S Anand undertook two contract as follows - 25**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **Contract A** | **Contract B** |
| Consideration  | 12,00,000 | 10,00,000 |
| Materials  |  3,00, 000 |  1,40,000 |
| Material returned  |  7,000 |  5,000 |
| Closing stock (at site) |  45,000 |  18,000 |
| Labour (Direct) |  3,00,000 |  75,000 |
| Direct Expenses  |  1,32,000 |  70,000 |
| Establishment Expenses  |  40,000 |  20,000 |
| Plant installed at site  |  1,60,000 |  1,40,000 |
| Work certified |  8,40,000 |  2,20,000 |
| Work uncertified  |  40,000 |  20,000 |

 During the year materials worth Rs. 20,000 transferred from Contract B to Contract A.

 Prepare Contract account assuming that 90% of the consideration received.

**Q3. A Product of a company passes through 3 processes. Wastages are estimated as follows: 25**

|  |  |
| --- | --- |
| Process X | 2% |
| Process Y | 4% |
| Process Z | 10% |

The wastage of each process has scrap value. The wastage of process X & Y is sold at Rs. 300/- per unit and that of process Z at Rs. 5/- per unit. The process ends with the finished stock.

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars**  | **X** | **Y** | **Z** |
| Materials  | 2,70,000 | 2,60,000 | 1,20,000 |
| Wages  | 4,30,000 | 2,40,000 | 1,30,000 |
| Direct Expenses  | 1,30,000 | 1,40,000 | 1,80,000 |

 50,000 units costing at 10/- each were put in the process X. The outputs are as follows:

 Process X – 48,750 units

 Process Y – 47,000 units

 Process Z – 42,000 units

 Prepare the process account, abnormal gain a/c & abnormal loss account.

**Q4. A) X Ltd. produces a product the details are as follows: 15**

1. Monthly demand – 7500 units
2. Cost of Placing order – Rs. 500
3. Re-order period – 5 to 8 weeks
4. Cost per unit – Rs. 60/-
5. Carrying cost percentage – 10%
6. Normal usages – 500 units (week)
7. Minimum usages – 250 units (week)
8. Maximum usages – 750 units (week)

 **Calculate:**

a) Re-order quantity

 b) Re-order level

 c) Minimum stock level

 d) Maximum stock level

 e) Average stock level

 **B) Calculate the earnings of a works under: 10**

i) Halfly Plan

 ii) Roclan Plan

1. Hourly rate of wages guaranteed 0.50 paise per hour
2. Standard time for producing one dozen articles – 3 hours
3. Actual time taken by the worker to produce 20 dozen articles – 48 hours

**Q5. Write short notes (Any three) 25**

1. Objective of Cost Accounting
2. Wage plans
3. Semi – variables & Fixed variable cost
4. Difference between Cost Accounting and Financial Accounting