Duration 02hrs 30 mins Marks 75

Please check whether you have got the right question paper.

N.B:
1. All questions are compulsory.
2. All questions carry 15 marks.
3. Figures to the right indicate full marks.
4. Use simple calculator.
5. Working should form part of answer.

Q1(A): Match the Following**(any 8)** Rewrite the sentence (8)

Column A	Column B
1. Job costing	a) Work certified + work uncertified
2. Rent of Godown for storing finished goods	b) Work certified – cost of work certified
3. Cash discount allowed	c) 2/3 X notional profit x cash received/work certified
4. Write off intangible asset	d) Normal output – actual output
5. Carriage inward	e) Input X % of normal loss
6. Work completed	f) Where all cost are directly charged to a specific job.
7. Notional profit	g) Selling and distribution overheads
8. 50-90% of work certified to contract price	h) Not shown in cost sheet but debited to Profit & loss account.
9. Abnormal loss	i) Appropriations only in financial account
10. Normal loss	j) Prime cost

Q1(B). State whether True or False (any 7) Re Write the Sentence (7)

1. Prime cost = direct cost .
2. Interest is shown in the cost sheet.
3. Dividend paid is a financial income.
4. Goodwill written off appears only in cost account.
5. Overheads are taken on estimated basis in financial account.
6. Cash received on contract is credited to contract account.
7. Cost of normal wastage of material is debited to the contract account.
8. Work certified is valued at cost .
9. Invisible waste has no sale value.
10. Abnormal loss is charged to costing profit & loss account.

Q. 2. (A) Tarun LTD. Commenced at contract on 1st April,2016. The total contract Price was for Rs.35, 00,000 and it is likely to be completed on 31st December 2017. The actual expenditure upto 31st March,2017 and subsequent estimated expenditure upto 31st December,2017 are given below: (15)

Particulars	Actual Expenditure upto 31-3-2017 RS	Estimated Expenditure from 1-4-2017 to 31-12-2017 RS
Materials Issued	9,20,000	6,37,000
Direct Labour	4,40,000	3,20,000
Sub-Contract Charges	20,000	30,000
Chargeable Expenses	1,20,000	1,70,000
Plant Purchased	3,00,000	-
Plant returned to stores at the end of the period (Original Cost)	1,00,000	2,00,000
Architect's Fees (% of Work Certified)	4%	4%
Work Certified (Cumulative)	20,00,000	35,00,000
Work Uncertified	50,000	-
Cash Received	16,00,000	16,00,000

The plant is subject to annual depreciation @ 20%p.a.on original cost. It was decided that the profit to be taken credit for should be that portion of estimated Net Profit to be realised on completion of the contract which the certified value of work as on 31st March, 2017 bears to the total contract price. You are required to prepare Contract Account for the year ended 31st March, 2017 and show your calculation of profit to be credited to the Profit and Loss Account for the year ended 31st March 2017. Calculation should be made to the nearest rupee.

OR

Q.2 (B) Asmita Ltd. obtained the contract to construct a building for Rs.10, 00,000. The contractee agrees to pay 80% of the work certified by the architect. (15)

Particulars	I year	II year	III year
Material Issued	120000	145000	84000
Direct Labour	110000	155000	110000
Direct Expenses	5000	17000	6000
Indirect Expenses	2000	2600	500
Work Certified (Cumulative)	235000	750000	1000000
Work Uncertified	3000	8000	--------
Plant Issued	14000	----------	----------
Material on site	2000	5000	8000

The value of plant at the end of I, II, III year was Rs.11,200, Rs.7, 000 & Rs.3,000 respectively.

Prepare Contract Account for these three years and show the calculation of profit transferred to Profit and Loss Account.

Q. 3(A)M/s Yash Enterprises Ltd. provides you the following data for the month of OCTOBER ,2018 , about 3 processes : (15)

Particulars	Process I	Process II	Process III
Raw Material(units)	12,000	2,440	2,600
Cost of raw material per unit (rs)	5	5	5
Direct Wages	34,000	24,000	15,000
Production Overheads	16,160	16,200	9,600
Normal Loss(% of total number of unit entering to the process)	4%	5%	3%
Wastage(% of total units entering to the process)	6%	5%	4%
Scrap per unit of wastage	3	4	5
Output transferred to subsequent process	70%	60%	-
Output sold at the end of the process	30%	40%	100%
Selling price per unit	12	16	17

Prepare Process I, II, III A/c.

OR

Q.3 (B) A product passes through three processes. The following cost data have been extracted from the book of a manufacturing company. (15)

Particular	Total (Rs.)	Process I	Process II	Process III
Material	1,50,840	52,000	39,600	59,240
Direct wages	1,80,000	40,000	60,000	80,000
Production Overhead	1,80,000	-	-	-

10,000 units at Rs.6/- each were introduced into process I. There was no stock of material or work-in-progress at the beginning or at the end .the out of each process passes directly to the next process and finally to the finished stock. Production overhead is recovered at 100% of Direct wages. The following addition data are obtained:

Particulars	**Output unit**	Percentage of normal loss of input	Value of Scrap per unit
Process I	9500	5%	4
Process II	8400	10%	8
Process III	7500	15%	10

There is no stock of work in progress in any process. Prepare the process accounts, abnormal gain account and abnormal loss account normal loss account.

Q.4(A)From the following information, prepare detail cost statement for the year ended 31-3-2018 Are given below: (15)

Particulars	RS.
Opening stock- Raw materials -Finished goods	20,000 30,000
Purchases of raw materials	15,00,000

Direct wages	12,00,000
Power	99,500
Carriage on purchase of raw materials	20,000
Cost of special design	50,000
Custom duty and Octroi on raw material	60,000
Rent and rate – office -factory	50,000 70,000
Telephone expenses	30,000
Advertisement	75,000
Electricity – office -factory	15,000 30,000
Machinery lost in fire	1,00,000
Depreciation – plant and machinery - Delivery van	80,000 20,000
Income tax	1,20,00
Salaries	2,50,000
Donations	70,000
Establishment expense	1,00,000
Rent of showroom	65,000
Interest on loan	45,000
Sale of factory scrap	7,500
Dividend received	17,500
Directors fees	60,000
Mailing charges of sale literature	10,000
Closing stock – Raw materials -Finished goods	1,85,000 30,000

Other Information

(A) 60 % of telephone expenses relate to office and 40% to sale department.
(B) Salaries to be allocated to the factory, office and sales department in the ratio of 1:2:1.
(C) Establishment expenses are to be apportioned equally between office and sale department.
(D) Sales are made to earn profit @20% on selling price.

OR

Q.4(B)Following is the summarised Profit and Loss Account of M/s. Superstar Manufacturing Co. Ltd. For the year ended 31st December,2017. (15)

Profit & Loss Account for the year ended 31st December,2017

Particulars	Rs.	Particulars	Rs.
To opening stock	1,00,000	By sales	1,75,000
To purchases	80,000	By closing stock	80,000
To direct wages	20,000		
To factory expenses	15,000		
To administrative expenses	10,000		
To selling expenses	15,000		
To net profit	15,000		
Total	2,55,000	Total	2,55,000

In the cost Accounts following details were recorded:

1. Stock ledger closing balance : Rs.89000
2. Direct labour: Rs.23000
3. Factory Overheads: Rs.13000
4. Administrative overheads and selling expenses each are calculated at 8% of the selling price.

Prepare Cost Statement and reconciliation statement between the two accounts.

Q 5. A. Explain the causes of difference between costing profit & financial profit. (7)

B. What is contract? Explain the features of contract. (8)

OR

Q. 5: Write short notes on (any 3) (15)

1. Prime cost
2. Normal Loss
3. Escalation Clause
4. Types of cost
5. Joint product

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