

**SOLUTION 2C00453 - S.Y .B.Com. (Accounting & Finance) (Sem. III) (Choice Base) / 79810  
- Cost Accounting (Methods of Costing) II.**

QPCode :53923

Q.1 A) 1) Prime Cost 2) Rs. 75,000 3) Contract A/c 4) Cost price 5) Sales Value 6) Entire Profit

7) Add to Financial Account 8) Rs.32,00,000 9) Increase in Efficiency 10) Interest

B) 1- h , 2-a , 3-d , 4-c , 5-f , 6-g , 7-e , 8-j , 9-b , 10-i .

Q.2

**Process P A/c**

Particulars	Unit	Amount	Particulars	Unit	Amount
To Raw Materials	36000	18,00,000	By Normal Loss	2160	64,800
To Wages		10,40,000	By Output transfer to	<u>33840</u>	
To Factory Overheads		6,08,000	Process Q (70%)	23,688	23,68,800
To Costing P&L A/c		3,09,636	Sale (30%)	10,152	13,24,836
		37,58,436			37,58,436

**Process Q A/c**

Particulars	Unit	Amount	Particulars	Unit	Amount
To Transfer from process P	23,688	23,68,800			
To Raw Materials	6,312	3,78,120	By Normal Loss	1,500	60,000
To Wages		7,20,000	By Output transfer to	<u>28,500</u>	
To Factory Overheads		2,98,080	Process Q (70%)	17,100	22,23,000
To Costing P&L A/c		4,61,700	Sale (30%)	11,400	19,43,700
	30,000	37,58,436		30,000	42,26,700

**Process R A/c**

Particulars	Unit	Amount	Particulars	Unit	Amount
To Transfer from process Q	17,100	22,23,000			
To Raw Materials	6,900	4,83,000	By Normal Loss	960	48,000
To Wages		6,00,000	By Output Sold	<u>23040</u>	41,58,720
To Factory Overheads		3,13,440			
To Costing P&L A/c			By Costing P & L A/c		1,26,720
	24,000	43,33,440		24,000	43,33,440

CPU : Process P –  $34,48,800 - 64,800 / 33,840 = 100$

Process Q –  $37,65,000 - 60,000 / 48,000 = 130$

Process R -  $43,33,440 - 48000 / 23040 = 186$

( 5 Marks Each Process)

Q. 2

**Process X A/c**

Particulars	Unit	Amount	Particulars	Unit	Amount
To Basic Input	50,000	5,00,000	By Normal Loss	1,000	2,500
To Materials		2,70,000	By Abnormal Loss	250	6,811

To Wages		4,30,000	By Output Transfer to Process Y	48,750	13,28,189
To Direct Expenses		1,37,500			
	50,000	13,37,500		50,000	13,37,500

$$\text{CPU} = 13,37,500 - 2500/49000 = 27.245$$

#### Process YA/c

Particulars	Unit	Amount	Particulars	Unit	Amount
To Transfer from Process X	48,750	13,28,189	By Normal Loss	1,950	4,875
To Materials		2,60,000			
To Wages		2,40,000			
To Direct Expenses		1,45,000	By Output Transfer to Process Z	47,000	19,76,725
To Abnormal Gain	200	8,411			
	48,950	19,81,600		48,950	19,81,600

$$\text{CPU} : 19,68,314 / 46,880 = 42.057$$

#### Process Z A/c

Particulars	Unit	Amount	Particulars	Unit	Amount
To Transfer From Process Y	47,000	19,76,725	By Normal Loss	4,700	23,500
To Materials		1,20,000	By Abnormal Loss	300	17,069
To Wages		1,30,000			
To Direct Expenses		1,80,000	By Output Transfer to Warehouse	42,000	23,89,656
	47,000	24,06,725		47,000	24,06,725

$$\text{CPU} : 24,06,725 / 42,300 = 56.90$$

#### Abnormal Loss A/c

Particulars	Unit	Amount	Particulars	Unit	Amount
To Process X A/c	250	6,811	BY Cash / Bank A/c	250	625
To Process Z A/c	300	17,069	BY Cash / Bank A/c	300	1500
			By Costing P&L A/c		21,755
	550	23,880		550	23,880

#### Abnormal Gain A/c

Particulars	Unit	Amount	Particulars	Unit	Amount
To Normal Loss A/c	200	500	By Process Y A/c	200	8,411
To Costing P & L A/c		7,911			
	200	8,411		200	8,411

( 4 Marks for each Process , 1 ½ Marks for Abnormal Loss and Abnormal Gain)

QPCode :53923

Q.3.

In the Books of Mr. Hariram  
**Contract A/c For the Year ended 31<sup>st</sup> March 2018-10-28**

Particulars	Andheri (Rs.)	Ghatkopar (Rs.)	Particulars	Andheri (Rs.)	Ghatkopar (Rs.)
To Direct Wages	1,20,00,000	1,45,00,000	By Material Transfer	---	15,000
To Materials ( w.n. 1)	2,45,00,000	1,72,00,000	By Material Sold	30,000	----
To Office Expenses	1,00,000	1,20,000			
To Direct Expenses	45,00,000	35,00,000	By WIP		
To Architect Fees	80,000	50,000	Material at Site	2,50,000	3,00,000
To Depreciation on Plant	12,00,000	18,00,000	Work uncertified	1,00,000	1,50,000
To Material Transfer	15,000	---	Work Certified	4,00,00,000	4,00,00,000
To notional profit	-----	32,95,000	By loss	20,15,000	-----
<b>Total</b>	<b><u>4,23,95,000</u></b>	<b><u>4,04,65,000</u></b>	<b>Total</b>	<b><u>4,23,95,000</u></b>	<b><u>4,04,65,000</u></b>
To profit & loss A/c		17,57,333	By notional profit		32,95,000
To Reserve		15,37,667			
		<b><u>32,95,000</u></b>			<b><u>32,95,000</u></b>

1) Calculation of Depreciation:

Andheri-  $1,20,00,000 \times 15\% \times 8/12$

=Rs.12,00,000

Ghatkopar-  $2,40,00,000 \times 15\% \times 6/12$

=18,00,000

2) % of work certified:  $4,00,00,000 / 7,50,00,000 \times 100$

=53.33%

Profit & loss account =  $2/3 \times 32,95,000 \times 80\%$

=17,57,333

( 7 Marks for Contract Andheri and 8 Marks for Contract Ghatkopar)

**OR**

Q.3.

In the Books of Raheja Builders  
**1<sup>st</sup> Year**

Particulars	Rs.	Particulars	Rs.
To Materials	2,45,00,000	By Work In Progress	
To Direct Labour	2,05,00,000	Work Certified	4,20,00,000
To Direct Expenses	50,000	Work Uncertified	3,00,000
To Indirect Expenses	20,000	Material at Site	40,000
To Architect Fees	70,000		
To Depreciation on Plant	3,00,000	By Loss A/c	31,00,000
	4,54,40,000		4,54,40,000

**2nd Year**

Particulars	Rs.	Particulars	Rs.
To Work In Progress	4,23,40,000		
To Profit & Loss A/c	31,00,000	By Work In Progress	
To Materials	2,85,00,000	Work Certified	11,50,00,000
To Direct Labour	2,65,00,000	Work Uncertified	9,00,000
To Direct Expenses	1,70,000	Material at Site	45,000

To Indirect Expenses	35,000		
To Architect Fees	92,000		
To Depreciation on Plant	3,00,000		
To Notional Profit	1,49,08,000		
	<b>11,59,45,000</b>		<b>11,59,45,000</b>
To Profit & Loss	84,47,867	By Notional Profit	1,49,08,000
To Reserve	64,60,133		
	1,49,08,000		1,49,08,000

**3<sup>rd</sup> Year**

Particulars	Rs.	Particulars	Rs.
To Work In Progress	11,59,45,000	By Reserve	64,60,133
To Materials	90,00,000	By Material at Site	90,000
To Direct Labour	2,00,00,000	By Contractee A/c	20,00,00,000
To Direct Expenses	80,000		
To Indirect Expenses	5,000		
To Architect Fees	65,000		
To Depreciation on Plant	1,50,000		
To Profit & Loss A/c	8,74,05,133		
	<b>20,65,50,133</b>		<b>20,65,50,133</b>

( 5 Marks for each year )

Q. 4 COST SHEET FOR THE YEAR 2017- 2018

PARTICULARS	Rs.	Rs.
<b>Direct cost</b>		
Opening Stock of Raw Materials	30,000	
+ purchases	80,000	
+ Carriage Inward	5,000	
(-) Closing Stock	40,000	
Raw Materials Consumed		75,000
Direct Wages		70,000
Direct Expenses		20,000
<b>Prime Cost</b>		<b>1,65,000</b>
<b>Indirect Cost</b>		
A) <u>Factory Overheads</u>		
Indirect Wages	10,000	
Factory Rent & Rates	4,000	
Indirect Materials	1,500	
Drawing Office Salaries	1,000	
Depreciation on Plant & Machinery	500	
Other Factory Expenses	5,700	
Managing Director's Salary	4,000	
(-) Sale of Scrap	1,000	
(+) Opening WIP	2,000	
(-) Closing WIP	1,000	

Factory Overheads		26,700
<b>Factory Cost</b>		<b>1,91,700</b>
B) <u>Office &amp; Administrative Overheads</u>		
Office Rent & Rates	500	
Depreciation on Office Furniture	100	
Office Salaries ( 4,500 x 5 ) /9	2,500	
Other Office Expenses	900	
Managing Director's Salary	2,000	
Office Overheads		6,000
<b>Cost Of Production</b>		<b>1,97,700</b>
(+) Opening Stock of Finished Stock		1,000
(-) Closing Stock of Finished Stock		4,000
<b>Cost Of Goods Sold</b>		<b>1,94,700</b>
C) <u>Selling &amp; Distribution Overheads</u>		
Managing Director's Salary	6,000	
Other Selling Expenses	1,000	
Advertisement	2,000	
Commission On Sales	4,000	
Travelling on Salesmen	1,100	
Carriage Outwards	1,000	
Sales Salary (4,500 x 4/9)	2,000	
Selling & Distribution Overheads		17,100
Cost Of Sales		2,11,800
Profit		38,200
Sales		2,50,000

Q.4. **Cost Sheet for the year ended 31<sup>st</sup> March 2018**

Particulars	Rs.	C.P.U.
Direct Cost :		
Direct Materials	1,39,600	
Direct Wages	76,200	
Prime Cost	2,15,800	
Indirect Cost		
Factory Overheads (20% on Prime Cost)	43,160	
	2,58,960	
Less : Closing Stock of Work In Progress	47,995	
Work Cost	2,10,965	17.29
Add: Administrative Overheads	36,600	3
Cost of Production	2,47,565	20.29
Less : Closing Stock Of Finished Stock	4,058	20.29
Cost of Goods Sold	2,43,507	20.29
Add: Selling & Distribution Overheads	48,000	4
Cost of Sales	2,91,507	24.29
Profit	1,88,493	15.71
Sales	4,80,000	40.00

**Reconciliation of Costing Profit and Financial Profit for the year ending 31<sup>st</sup> March 2018**

Particulars	Rs.	Rs.
Net Profit as Per Cost Account		1,88,493
Add:1) Over absorption of Factory Overheads	560	
2)Over absorption of Selling & Distribution Overheads	5,300	
3) Overvaluation of Closing Stock in Financial Account	3,942	
4)Interest on Securities credited in Financial Account	6,000	15,802
		2,04,295
Less:1) Under absorption of Administrative Overheads	2,500	
2)Preliminary Expenses W/off in Financial Account	2,200	
3) Goodwill W/off in Financial Account	2,501	
4) Payment of Dividend recorded only in Financial Account	3,000	
5) Payment of Income tax recorded only in Financial Account	4,100	14,301
Net Profit as per Financial Account		1,89,994

QPCode :53923