(2.30 Hours) **Marks : 75**

Instructions:

1. **All questions are compulsory**
2. **State your assumption clearly**
3. **Figures to right indicates the marks**
4. **Working note should form the part of answer**

QIA] Select the most appropriate option and write the full sentence: (Any8) **8 mark**

1. Process output is 25000 units normal loss 3000 units, abnormal loss is 2000 units.The input is _____________ units.
   - 20000
   - 15000
   - 30000
   - None of the above

2.Process is applicable to __________

- Repair work
- Paper industry
- Transport company
- None of these

3.Contribution is equal to ___________

- Fixed cost plus profit
- Sales less variable cost
- Fixed cost plus (mos in rs. X p/v ratio)
- All of the above

4.Material usage standard is decided by ____________

- Sales department
- Finance department
- Purchase department
- Production department

5.At break even point, the contribution is equal to ________________

- Variable cost
- Administrative cost
- Sales revenue
- Fixed cost

6. Break even point in units is equal to ________________

- Fixed cost ÷ P/V ratio
- Fixed cost x sales ÷ total contribution
- Fixed cost ÷ contribution per unit
- Fixed cost ÷ total contribution

7. Abnormal loss unit are equal to _______________

- Output units
- Input units – normal loss units
- Input units – (normal loss units & output units)
- All of the above

8. Cost of rectification of defective work is ________________

- Debited to P & L account
- Ignored from contract account
- Credited to contract account
- Debited to contract account

9.Contribution is equal to _______________

- Sales – variable cost
- Fixed cost + profit
- Sales x P/v ratio
- All of the above

10. Remuneration paid to technical director is a part of _____________

- Prime cost
- Work cost
- Administration overheads
- All of the above

QIB] State whether the following statement are true or false: (Any 7) **7marks**

1.Sales value of joint product is significant
2.Normal loss in process costing is controllable
3.Marginal costing is a method of costing
4. P/v ratio is improved by decreasing variable cost
5.Increase in price leads to lower margin of safety
6. Actual rate is not used while computing labour efficiency variance
7.Activity cost pools are cost accumulation associated with a given activity
8.Primary packaging charges is an example of selling and distribution overheads
9.Painting is a product level activity
10. Fixed cost per unit remains fixed irrespective of level of output

Q.II] Following particulars have been taken from the books of Heena manufacturing Co. Ltd. for the year ended 31st march 2017. **15 marks**

Particulars	Amount (Rs.)
Purchases of raw materials	450000
Direct Wages	300000
Power	50000
Depreciation on plant	20000
Rent of Factory Building	25000
Sales	3000000
Opening Stock of Raw Materials	20000
Opening stock of finished goods (1000 units)	250000
Office Salary	500000
Depreciation on Office Buildings	20500
Office Salary Expenses	50500
Purchase of Plant	1000000

Interest Received on Investment	50000
Expenses on Delivery Van	90000
Cost of Catalogues	13500
Income Tax Paid	20000
Show Room Expenses	22500
Closing Stock of Raw Materials	25000

During the year 10000 units were produced out of which 2000 units remain unsold. Prepare cost sheet and show total and per unit cost. Also show total profit and per unit profit.

OR

QII] Following is the profit and loss account of Dev Ltd. for the year ended 31-03-2018 **15marks**

Profit and Loss account for the year ended 31-03-2018

Liabilities	Amount Rs.	Particulars	Amount Rs.
To materials consumed	2000000	By sales (12000 units)	4800000
To wages	754000	By closing stock of finished goods (3000 units)	660000
To manufacturing expense	546000	By interest on investment	170000
To office expenses	525000	By profit on sale of assets	200000
To selling and distribution expenses	960000		
To goodwill written off	140000		
To income tax	75000		
To net profit	830000		
	5830000		5830000

The cost accounts record for the above period showed the following.

1. Material consumed @Rs. 100 per unit produced.
2. Selling and distribution overheads were absorbed @ Rs. 70 per unit sold.
3. Direct wages @Rs. 60 per unit produced.
4. Office overheads were absorbed @ Rs. 50 per unit produced.
5. Manufacturing overheads were absorbed @ 20% of prime cost.

You are required to prepare the detailed cost sheet for the year ended 31-03-2018 and a statement of reconciliation.

QIII] Divya industries Ltd. is manufacturing a product which passes through three consecutive process i.e Process X , Y and Z . the following particulars have been taken from their books of the year ended 31st march 2018. **15marks**

Particulars	Process X	Process Y	Process Z
Basic raw material introduced (units)	5000	-	-
Rate of basic raw material per units (Rs.)	400	-	-
Output during the year (units)	4250	3750	3250
Normal loss			
(% on units introduced in each process)	10%	20%	15%
Scrap value per units (Rs.)	100	150	200
Process stock :			
Opening (units)	750	1000	750
Closing (units)	500	750	500
Value of opening stock per unit (Rs.)	550	850	1200
Materials (Rs.)	400000	363500	471000
Wages (Rs.)	162500	187500	204500
Manufacturing overheads (Rs.)	142500	163300	106500

Closing stock is to be valued at respective cost of each process.

You are required to prepare :

a) Process accounts b) Process stock accounts

OR

QIII] Chaitali Ltd manufactures a chemical product which passes through three process. The cost record show the following particulars for the year ended 30th June 2018.

input to process I - 400000 units @ Rs.28 per unit. **15marks**

Particulars	process X	process Y	process Z
Material	97240	216518	206690
Labour	65730	169106	154360
Factory overheads	5030	21176	32550
Normal loss			
(% on units introduced in each process)	20%	15%	10%
Scrap value per units (Rs.)	1	2	3
Actual output during the year (units)	36000	32000	30000

Prepare process accounts, abnormal Gain/Loss account. Also show process cost per unit for each process.

QIV] The following information is available from records of a company as at 31st march 2017 and 2018 **15marks**

Particulars	2017 Rs. in lakhs	2018 Rs. in lakh
Sales	1500	2000
Profit	300	500

Calculate :

i) P/V Ratio
ii) Fixed Cost
iii) Break Even Sales in Rs.
iv) Sales required to earn profit of Rs.1000 lakhs
v) Profit for sales of Rs. 2000 lakhs
vi) Margin of safety when sales is Rs. 1000 lakhs

OR

QIV] Calculate material price variance, material usage variance, labour rate variance and labour efficiency variance from the following data . **15marks**

Standard per unit:

Material	6 kg . @ Rs. 4 per kg .
Labour	4 hours @ Rs. 4 per hour
Actual production for the month	12500 units
Actual material price per kg .	Rs. 4.50
Material used during the month	78000 kgs .
Direct labour hours worked	48000 hours
Actual wages rate per hour	Rs. 3.50

QV A] Distinguish Between Financial Accounting and Cost Accounting **8 marks**

QVB] Explain briefly the features of marginal costing **7marks**

OR

QV] Write short notes (Any 3/5) **15 marks**

A) Fixed cost
B) Profit volume ratio
C) Break Even Point
D) Normal Loss
E) Benefits of Standard Costing
