

[Time: 2 ½ Hours]

[Marks: 75]

- N.B.
1. Q. 1 is compulsory.
  2. Q.2 to Q.5 are compulsory with internal choice.
  3. Figures to the right indicate full marks.
  4. Workings should form a part of your answer.
  5. Use of simple calculator is allowed.

**1. A. Match the following (Any 8)**

(8)

Column I	Column II
1. Costing period	a) Debit wages account
2. Production overheads	b) Debit cost of sales
3. Abnormal loss	c) Area covered by uniform costing
4. Payment of wages	d) Per Kg / cubic ft.
5. Absorption of selling overhead	e) Takings ÷ Effective Kilometers
6. Steam, Gas	f) Production overheads control A/C
7. Normal Loss	g) No of ATM transactions
8. Raw material storage	h) Controllable Cost
9. Revenue per Kilometer	i) Inevitable loss
10. ATM Service	j) Cost pool

**Q1B. State whether the following are statement are true or false (Any 7)**

(7)

1. Uniform cost accounting is a branch of unit costing.
2. Cost and financial accounts are reconciled under integrated system.
3. Work in progress ledger contains accounts of individual jobs.
4. In water supply industry per kilo litre of water supplied is a simple cost unit.
5. Finished goods control is debited when the product is sold.
6. Operation Costing is a form of operating costing.
7. In Road maintenance Industry, per K.M of Road maintained is a simple cost unit.
8. Invisible waste has no sale value.
9. Plant management is a batch level activity.
10. ABC leads to enhanced control overhead costs.

**Q2. The following figures have been extracted from the cost records of a manufacturing unit: (15)**

Particulars	Rs.
Stores : Opening balance	30,000
Purchases	160,000
Transfers from Work-in-Progress	80,000
Issues to work-in-progress	160,000
Issues to repairs and maintenance	20,000
Deficiencies found in stock taking	6,000
<b>Work-In-Progress :</b>	
Opening Balances	60,000
Direct wages applied	60,000
Overheads applied	240,000
Closing balance	40,000

Finished products: Entire output is sold at a profit of 10% on actual cost from work-in-progress. Other wages incurred Rs.70,000; overheads incurred Rs. 250,000.

Items not included in cost records: Income from Investments Rs. 10,000; loss in sale of capital assets Rs. 20,000. Draw up Stores Control Account, Work-In-Progress Control Account, Costing Profit and Loss A/c.

OR

Q2) The following are product data for next year budget: [15]

Activity	Cost Driver	Cost Driver Volume/year	Cost Pool
Purchasing	Purchase orders	2000	80000
Setting	Batches produced	3000	150000
Materials handling	Materials movements	8000	96000
Inspection	Batches produced	2800	70000
Machining costs	Machine hours	50000	150000

Purchase orders	30
Output	20000 units
Production batch size	100 units
Materials movement per batch	6
Machine hours per unit	0.1

Calculate 1) The budgeted overhead costs using activity based costing principles 2) The budgeted overhead costs using absorption costing (absorb overhead using machine hours)

Q3) Sai Travels owns a bus and operates a tourist service on daily basis. The bus starts from New City to Rest village and returns back to New City the same day. Distance between New city and Rest village is 250 kms. This trip operates for 10 days in a month. The bus also plies for another 10 days between New city and Shivapur and returns back to New city the same day, distance between these two places is 200 kms. The bus makes local sightseeing trips for 5 days in a month, covering the total distance of 60 km .While plying to and fro for Rest village, the bus occupies 90% of the capacity and 80% when it plies between New city to Shivapur (both ways). In the city the bus runs full capacity. Passenger tax is 20% of net takings of the travels firm. Calculate the rate to be charged to Rest village and Shivapur from New city, per passenger, if the profit required to be earned is 33% of the net taking of firm. The following data are given (15)

	Rs.
Cost of bus	3,50,000
Depreciation	25%
Driver's salary	1,200 p.m.
Conductor's Salary	1,000 p.m.
Part time clerk's salary	400 p.m.
Insurance Annual	1,800
Diesel consumption 4 kms per litre @	8 per litre
Token tax	2,400 p.m.
Permit fee	1,000 p.m.
Lubricant oil	100 for every 200 kms
Repairs and maintenance	1,500 p.m.
Normal capacity	50 persons



OR

Q3) Following are the information given by an owner of a hotel. You are requested to (15)  
Advise him that what rent should be charge from his customers per day so that he is able to earn 25 % on cost other than interest.

- 1) Staff salaries Rs. 80,000 per annum
- 2) Room attendant's salary Rs. 2 per day. The salary is paid on daily basis and services of room attendant are needed only when the room is occupied. There is one room attendant for one room.
- 3) Lighting, heating and power. The normal lighting expenses for a room if it is occupied for the whole month is Rs. 50. Power is used only in winter and normal charge per month if occupied for a room is Rs. 20.
- 4) Repairs to building Rs. 10,000 per annum
- 5) Linen Etc. Rs. 4,800 per annum.
- 6) Sundries Rs. 6,600 per annum
- 7) Interior decoration and furnishing Rs. 10,000 annually
- 8) Cost of building Rs. 4,00,000; rate of depreciation 5%
- 9) Other equipments Rs. 1,00,000; rate of depreciation 10%
- 10) Interest @ 5% may be charged on its investment of Rs. 5,00,000 in the building and equipment
- 11) There are 100 rooms in the hotel and 80% of the rooms are normally occupied in summer and 30% of the rooms are busy in winter. You may assume that period of summer and winter is six month each. Normal days in a month may be assumed to be 30.

Q4) A product passes through three processes before its completion. The output of each process charged to the next process at a price calculated to give a profit of 20% on transfer price. The output of Process III is transferred to finished stock account on a similar basis. There was no work-in-progress at the beginning of the years. Stock in each process has been valued at prime cost of the process. The following data is available at the end of 31<sup>st</sup> March, 2018. [15]

	Process I	Process II	Process III	Finished Stock Rs.
Direct Material	20000	30000	10000	--
Direct Wages	30000	20000	40000	--
Stock on 31 <sup>st</sup> March 2009	10000	20000	30000	15000
Sale during the year	--	--	--	180000

From above information prepare:

1. Process Cost Account showing the profit at each stage.
2. Actual realized profit and
3. Stock Valuation as would appear in the balance sheet

OR

Q4) From the following information prepare using FIFO Method: (15)

- (a) Statement of Equivalent Production;  
 (b) Statement of Cost per Equivalent Unit; (c) Statement of Evaluation; (d) Process Account:

1. Opening work-in-progress: 800 units valued as under:

Material Rs. 3,200, Labour Rs. 960, Overheads Rs. 320

2. Input of materials : 9,200 units

3. Current cost incurred in process :

Material Rs. 36,800

Labour Rs.16,900

Overheads Rs. 8,250

4. Normal loss : 8% of total input [i.e., opening WIP + units put in]

5. Scrap realized @ RS. 40 per 10 Units.

6. Closing work-in-progress: 900 units.

7. Transfer to next process: 8,700 units.

8. Degree of Completion:

	Opening Stock (%)	Closing Stock (%)
Material	100	100
Labour	60	70
Overheads	40	30

Q5. A Explain Non Integrated costing system (8)

B. Advantage and disadvantage of inter firm comparison (7)

OR

5. Write Short Note (any three) (15)

- 1) Uniform costing
- 2) Stores control A/C
- 3) Canteen costing
- 4) Inter process profit
- 5) Steps in ABC