

Duration : 2 ½ hours

Marks : 75 Marks

- Note: 1) All questions are compulsory
 2) All workings should form part of the answer
 3) Use of a simple calculator is allowed

Q.1a) State whether the following statements are True or False. (Any 8) (08)

1. Cost and financial accounts are reconciled under integrated system.
2. Under integral system, no accounts are opened for debtors and creditors.
3. In Cost control accounts, goods sold are credited to Cost Ledger Control Account.
4. When raw material is purchased, the work in process control account is credited.
5. A profitable business concern does not need uniform costing.
6. Balance on Abnormal Loss A/c is transferred to costing P & L A/c
7. All costs, direct & indirect are recorded for each process separately.
8. Abnormal Loss occurs in addition to normal loss.
9. Building depreciation is generally considered an organisation or facility cost.
10. Activity Based Costing leads to enhanced control over overhead costs.

Q1.b) Match the Following (Any 7) (07)

Group A	Group B
1. Unit-level activities	a) Technique of Evaluation
2. Batch Level Activities	b) Debit Work in Progress control A/c
3. Scrap value of Normal Loss	c) Indirect Cost
4. Cost of Abnormal Gains	d) Credit Cost Ledger Control
5. Transport	e) Per Room Day
6. Hotel	f) Per Kms
7. Administrative Overheads incurred	g) Unit cost × units of abnormal gain
8. Overhead	h) Credited to process A/c
9. Direct Wages charged to Production	i) Material ordering
10. Inter-firm comparison	j) Indirect Consumable

Q.2. (a) Lion Ltd. is running a mini Bus. You are required to calculate a suggested fare per Passenger / kilometre from the following details. (15)

Particulars	Rs.
Purchase Price of the Bus	30,00,000
Length of the route (one way)	40 km
Insurance (p.a.)	1,20,000
Garage Rent (p.a.)	60,000
Road Tax & Permit Fees (p.a.)	30,000
Repairs & Maintenance (p.a.)	96,000
Administrative Charges (p.a.)	24,000
Driver's Salary (per month)	30,000
Conductor's Salary (per month)	18,000
Repairs of tyre (p.a.)	24,000
Diesel per km	10
Annual interest on loan	72,000

Effective life of the bus is estimated at 5 years at the end of which it will have a scrap value of Rs. 60,000. The bus has 25 seats and it will make 5 two-way trips for 25 days in a month. Profit should be calculated @20% on revenue

OR

Q.2 (b) Costs and other information related to Process N are as below : (15)

Direct Material	Rs. 13,59,000
Direct Wages	Rs. 9,31,500
Factory Overheads	50% of Direct Wages
Units introduced into the Process	1,80,000 units
Normal Loss	10% of the input
Units produced and transferred to next process	1,44,000 units
Scrapped units (Degree of completion : Material, Labour & Overheads at 100%)	22,500 units

The 22,500 units scrapped had been completely processed and realised Rs. 5 per unit. 13,500 units were incomplete and the stage of completion was estimated at : Materials 75%, Labour 50% and Overheads 50%.

- Prepare :
- Statement of Equivalent Units of production as per FIFO method
 - Cost per equivalent unit
 - Statement of Cost Apportionment
 - Process Account

Q.3 (a) Pass Journal entries for the following transaction of Shalimar Ltd for the month of December 2022 under Integrated system of Accounting. (15)

	Rs.
1. Factory overhead incurred	2,85,000
2. Material damage having no scrap value	30,000
3. Selling expenses incurred	1,50,000
4. Office expenses applied to cost of sales	1,35,000
5. Finished goods at cost	20,40,000
6. Wages applied to Factory	90,000
7. Sales to Aradhya Ltd (80% on credit)	27,00,000
8. Material purchased from Phoenix Ltd.	12,00,000
9. Material issued to production	7,50,000
10. Wages paid to worker	3,00,000
11. Wages applied to production	2,10,000

OR

Q.3b) Under ABC, Alpha Ltd. provided the following information for the month of January, 2023 : **(15)**

Particulars	Estimated overheads	Expected Activity	Actual overhead	Actual Activity
Setups	90,000	125 setups	95,000	150 setups
Purchase orders	5,250	5250 purchase orders	6,000	5250 purchase orders
Product testing	17,500	1750 tests	15,500	1700 tests
Template etching	6,000	150 etchings	5,000	160 etchings
Facilities	2,00,000	20,000 sq. feet	55,000	20,000 sq. feet

What amount of overhead was applied to product during the January using ABC?

Q.4 (a) Following are the balances in Cost Ledger of Mohan Manufacturers on 1st April 2023. **(15)**

Particulars	Debit (Rs.)	Credit (Rs.)
Finished Stock Ledger Control A/c	13,500	
Factory overhead Control A/c	3,000	-
Work-In-Progress Control A/c	7,200	-
Stores Ledger Control A/c	13,200	-
Cost Ledger Control A/c	-	36,900

Following are the transactions for the month ending 30th April 2023.

Particulars	Amt. (Rs.)
Raw material Purchased	1,95,000
Materials issued to Production	1,54,500
Direct wages	37,500
Factory overhead incurred	24,000
Indirect labour	7,500
Factory overhead charged to production	34,500
Cost of sale	1,73,400
Sales return at cost	3,000
Finished product at cost	2,02,500
Sales	2,10,000

Prepare the following cost control accounts:

1. Stores Ledger Control Account
2. Works Overhead Control Account
3. Work In Progress Ledger Control Account
4. Finished Stock Ledger Control Account
5. Cost Ledger Control Account
6. Trial balance as on 30th April, 2023

OR

Q.4 (b) Product Blossom passes through three processes before it is completed. The output of each process is charged to the next process at a price which gives a calculated profit of 20% of the transfer price. The output of Process III is charged to Finished Stock Account on a similar basis. Stock in each process have been valued at prime cost of the process. The following data are obtained at the end of March 2023 : **(15)**

Particulars	Process I (Rs.)	Process II (Rs.)	Process III (Rs.)	Finished Stock (Rs.)
Direct Materials	42,000	48,000	72,000	-
Direct Wages	54,000	72,000	93,000	-
Production Overheads	36,000	51,600	64,500	-
Stock on 31-3-2022	12,000	21,600	40,500	63,450
Sales	-	-	-	8,10,000

- Prepare :
1. Process I Account
 2. Process II Account
 3. Process III Account
 4. Finished Stock Account
 5. Actual Realised profit statement

Q5 (a) Explain Integrated Costing system. **(08)**

(b) Explain in brief the Advantage Limitation of Uniform Costing **(07)**

OR

Q5 (c) Write short notes on (Any 3) **(15)**

1. Unit Level Activities
2. Advantages of Process costing
3. Features of Non- Integrated system
4. Operating Costing
5. Store Ledger Control A/c
