

Duration: 2.5 Hrs.

Total Marks: 75

- Note: 1) All questions are compulsory
2) All workings should form part of the answer

Q.1. a) Multiple Choice Questions: **(any 8)**

(08)

1. Under Non-Integrated System for absorption for Office and administration overhead _____ Account is debited.

- | | |
|---------------------------|-----------------------------|
| a) Finished Goods Control | c) Store Ledger Control |
| b) Wages Control | d) Factory Overhead Control |

2. Cost of goods sold is debited and finished goods inventory is credited for _____.

- Transfer of goods to the finished goods storeroom
- Purchase of goods on account
- Transfer of material into work in process
- Sale of goods to a customer

3. Cost allocation bases in activity-based costing should be _____

- | | |
|---------------------|---------------|
| a) Cost driver | c) Cost Pools |
| b) Activity centers | d) Resources |

4. Inter-firm comparison is one of the aims of _____

- | | |
|---------------------|---------------------|
| a) Uniform Costing | c) Unit costing |
| b) Standard Costing | d) Marginal Costing |

5. An abnormal gain in a process occurs in which of the following situations?

- When actual losses are greater than the normal loss level.
- When costs are reduced through increased machine speed
- When actual losses are less than the normal level.
- When the process output is greater than planned.

6. In Process industries there is a flow of from one operation to the next operation.

- | | |
|-------------|-------------|
| a) Material | c) Labour |
| b) Overhead | d) Expenses |

7. IF the profit is 50% of the operating cost, it is of the invoice price.

- | | |
|--------------|--------------|
| a) 20% | c) 25% |
| b) 16.66667% | d) 33.33334% |

8. Integrated systems of accounts are maintained

- In separate books of accounts for costing and financial accounting purposes
- In the same books of accounts
- In cost ledger account
- In Fixed Asset ledger account

9. Normal loss is _____ in the normal course of events.

- | | |
|---------------|----------------|
| a) Avoidable | c) Unavoidable |
| b) impossible | d) unexpected |

10. _____ provides guidelines to the participating firms to organize their cost accounting system on a uniform basis

- | | |
|------------------------|--------------------------|
| a) Uniform Cost Manual | c) Invoice |
| b) Cost Accounting | d) Management Accounting |

Q.1. b) State whether the following statements are True or False: **(Any 7)**

(07)

- Debit and credit are the basic concepts used in Uniform Costing Accounting.
- Uniform Cost accounting is a branch of unit accounting.
- Under the integral system, no accounts are opened for debtors and creditors.
- Finished goods control is debited when the product is sold
- Normal loss is usually expressed as a percentage of the input units of materials.

- f. If the normal loss has no scrap value it is given a nil value.
- g. An equivalent unit means 'equal to one unit of finished output'.
- h. Uniform costing is a method of costing
- i. ABC analysis is based on the principle of Management by Exception
- j. Operating Costing is applied to ascertain the cost of products

Q.2 (a) Bright Ltd. owns two lorries (for the conveyance of raw materials) and a Bus (for the conveyance of staff). The following expenses were incurred during February, 2024:

(15)

Particulars	Monthly Cost		
	Lorry A (Rs.)	Lorry B (Rs.)	Bus (Rs.)
Driver's Salary	12,000	14,000	16,000
Cleaner's Wages	5,000	5,000	3,000
Diesel	5,800	5,000	3,800
Oil	500	700	600
Repairs	2,000	2,000	1,500
Depreciation	10,000	8,000	11,000
Office Overheads	1,000	1,000	1,000
Servicing Charges	1,200	1,100	800
Road Tax	800	800	600
Sundry expenses	700	750	450
Load carried	100 tonnes of Raw Material	120 tonnes of Raw Material	20 passengers for 25 days
Distance covered	2,000 kms	2,100 kms	1,800 kms

From the above information prepare an Operating Cost Sheet in summary for the three vehicles. Also the unit of costing for each vehicle

OR

Q.2. (b) D Limited gives information in respect of Process Q for January 2024: Normal process loss is 5% of total input (opening stock plus units introduced) Scrap value is Rs. 4 per unit. The company follows the FIFO method of inventory valuation.

(15)

Opening Work-in-progress	: 6,000 units at Rs. 24,000
Input of Material	: 39,000 units at Rs. 1,19,250
Direct Wages	: Rs. 75,450
Production Overheads	: Rs. 37,725
Units Scrapped	: 3,000 units
Units transferred to next process	: 36,000 units
Closing Work-in-progress	: 6,000 units

Degree of completion	Opening Stock	Closing Stock	Scrap
Material	100%	100%	100%
Labour	60%	80%	70%
Overheads	60%	80%	70%

- Prepare:
- i. Statement of equivalent production
 - ii. Statement of cost per equivalent unit for each element and cost of closing work in Progress and units transferred to next process.
 - iii. Prepare Process Account.

Q.3(a) The Finished Product 'Mango Wafer' passes through two processes before completion. The output of process I is transferred to the next process at a profit of 25% on the transfer price. The output of Process II is charged to the Finished Stock Account at 20% profit on the transfer

price. Stock in each process is valued at prime cost. Finished Stock is valued at the price at which it is received from Process II. The following data for the year ended 31st March 2023 is provided by M limited as follows: (15)

Particulars	Process I (Rs.)	Process II (Rs.)	Finished Stock (Rs.)
Opening Stock	15,400	18,200	38,000
Direct Materials	30,000	38,000	-
Direct Wages	32,000	45,000	-
Manufacturing Overheads	25,000	28,000	-
Stock on 31.03.2023	7,000	11,500	24,200
Sales	-	-	4,00,000
Inter-process profit included in opening stock	-	3,100	16,500

OR

Q.3.(b) DK Computers manufacturing Keyboard for computers. They use Activity-Based Costing to assign manufacturing overheads to product. The data relating to one of their product wireless Keyboard and the ABC cost pools are given below.

- a) Wireless Keyboard: annual production 27,240 units, Direct Material per unit Rs. 186, Direct Labour per unit Rs.36.
- b) Manufacturing overhead cost pools (15)

Cost Pool	Cost (Rs.)	Cost Drivers
Material Ordering	48,00,000	Number of purchase order
Material Inspection	24,00,000	Number of Receiving Reports
Equipment setup	1,20,00,000	Number of setups
Quality Control	54,00,000	Number of inspection
Others	9,00,00,000	Direct labour cost
	11,46,00,000	

- c) Activity information related to cost divers

Cost Pool	Annual Activity	
	All Products	Wireless Keyboard
Material Ordering	8,00,000 orders	7,000 Orders
Material Inspection	16,000 Receiving reports	1,800 reports
Equipment setup	800 setups	8 setup
Quality Control	27,000 inspections	2700 inspection
Others	6,00,000 direct labour hours	72,000 direct labour hours

Required:

- a) Calculate the overhead rate per unit of activity for each of the 5 cost pools.
- b) Calculate the total overhead assigned to the production of the Wireless Keyboard.
- c) Calculate the overhead cost per unit for the wireless Keyboard.
- d) Calculate the Total unit cost for the wireless keyboard.

Q.4.(a) XYZ follows Non-integrated system of accounting.

Following is the Trial Balance as on 01-01-2024: (15)

Particulars	Debit (Rs.)	Credit (Rs.)
Store Ledger Control Account	4,00,000	-
Work in Progress Control Account	3,20,000	-
Finished Stock Ledger Control Account	5,60,000	
Cost Ledger Control Account		12,80,000
	12,80,000	12,80,000

Following were the transactions during the month of January:

Particulars	Rs.
Materials purchased	12,00,000
Materials issued to Production	4,80,000
Materials issued to factory	64,000
Materials issued to office	16,000
Total Wages paid	4,80,000
Direct wages charged to Production	4,00,000
Indirect wages	80,000
Office Overheads paid	48,000
Office overheads applied to finished goods	60,800
Selling and Distribution overheads incurred	48,000
Selling and distribution overheads applied to cost of sales	49,600
Finished goods at cost	12,80,000
Cost of Goods sold	16,00,000
Sales	19,20,000
Factory overheads charged to production	140000

You are required to prepare

1. Store Ledger Control A/c
2. Factory Overhead Control A/c
3. Work In Progress Control A/c
4. Finished Stock Ledger Control A/c
5. Cost Ledger control A/c
6. Trial Balance as on 31st January 2024

OR

Q4 (b) Pass Journal entries for the following transaction of HUL Ltd for the month of December 2023 under Integrated system of Accounting.

(15)

Particulars	Rs.
Material purchased from AB & Co.(credit 70%)	4,00,000
Material issued to production	2,50,000
Wages paid to worker	1,00,000
Wages applied to factory	60,000
Factory overhead incurred	35,000
Office overheads incurred	25,000
Advertising expenses incurred	30,000
Salary paid to staff	25,000
Cost of goods produced	4,00,000
Factory expenses payable	12,000
Sales to LML Ltd (50% on cash)	6,00,000

Q5. (a) What is advantages of Inter-Firm Comparison?

(08)

(b) Distinguish between Integrated and Non-Integrated System of Accounting.

(07)

OR

Q5.(c) Write short notes on (Any 3)

(15)

1. Factory Overheads Control Account.
2. Activity based Costing.
3. Abnormal gain and abnormal loss.
4. Inter Process Profit.
5. Features of Service costing.
