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) State Whether the following statements are True or False. (Any 8)   (08)

1. It is possible to have normal loss and abnormal gain on the same process account in the same period.

2. Operating costing is suitable for industries which are rendering services.

3. Uniform costing is a financial practice that uses standardization to make comparisons across an industry or among the branches of a large business.

4. Machine setup is done every time a new batch is to be made, regardless of batch size

5. Activity-based costing (ABC) is a system you can use to find production costs.

6. In a Non-integrated System, WIP control account is debited when the product is sold.

7. In case of service industry, the closing stock of work-in-progress is valued at overhead cost.

8. Normal loss is treated as abnormal loss while calculating normal cost per unit.

9. Equivalent units of production is a method used to calculate the amount of work done on fully completed units during a production period.

10. Cost drivers are not the expenses or resources that you incur to run your business.

Q. 1. (b) Multiple Choice Questions: (Any 7)   (07)

a. Equivalent production of 1,000 units, 60% complete (for labour) is _____

i. 1,000 units   ii. 750 units   iii. 600 units   iv. 500 units

b. Inter-firm comparison helps a firm in _____

i. Ascertaining cost   ii Allocating costs   iii. Controlling and reducing cost

iv. apportionment of cost

c. _____ is an accounting system that keeps cost and financial transactions in separate account books

i. Integrated system ii. Non-integrated accounting system iii. Process costing

iv. Operating costing

d. Under integrated accounts, if material worth Rs. 20,000 are scrapped, then _____ account will be debited

i. Stores Ledger Control A/c ii. Work-in-progress account iii. Costing Profit & Loss Account

iv. Profit & Loss Account

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e. In _____ costing, the cost of carrying a passenger for a kilometre and cost of carrying goods of one tonne is ascertained.

i. Hotel ii. Hospital iii. Transport iv. Process

f. Inter-firm comparison is one of the aims of ___

i)   Uniform Costing

ii) Unit costing

iii)   Standard Costing

iv)Marginal Costing

g. The term 'composite cost unit' is associated with:

  i. Job costing ii. Batch costing   iii. Operating costing   iv. Process costing

h. Cost allocation bases in activity-based costing should be ____

i. Cost driver ii. Cost Pools iii. Activity centres iv Resources

i. Operating costing system is more suitable to_____ industries

i. Product   ii. Construction   iii. Service   iv. Manufacturing

j. _____ is a cost accounting method that assigns indirect and overhead costs to products and services based on the activities that contribute to those costs

i. Service costing ii. Process Costing iii. Uniform Costing   iv. Activity-based costing

Q.2 (a) Q. The following information relates to Process A :

(15)

i) Opening work in progress 12,000 units costing Rs. 1,36,800

Degree of completion :

Material	100%	Rs. 72,000
Labour	60%	Rs. 43,200
Overheads	60%	Rs. 21,600

ii) Received during the month of September, 2024 from previous Process R 1,20,000 units at Rs. 5,13,000

iii) Expenses incurred in Process A during the month:

Materials	Rs. 2,37,000
Labour	Rs. 4,14,690
Overheads	Rs. 2,07,360

iv) Closing Work in process: 9,000 units

Degree of completion:

Materials	100%
Labour & Overheads	50%

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v) Units scrapped   12,000 units

Degree of completion :

Materials   100%

Labour & Overheads 80%

vi) Normal loss : 5% of current input

vii) Spoiled goods realised Rs. 1.50 per unit

viii) Completed 99,000 units are transferred to warehouse.

You are required to prepare :

i) Statement of equivalent units by FIFO Method

ii) Statement of cost per equivalent unit and total costs

iii) Process A Account

OR   (15)

2.(b) A certain product passes through three processes before it is completed. The output of each process is charged to the next process at a price calculated to give a profit of 20% on transfer price. The output of process C is charged to Finished Stock Account on a similar basis. There was no work in progress at the beginning and end of the year. Stock in each process have been valued at prime cost of the process. The following data are obtained at the end of the year of 31st March, 2024

Particulars	Process A Rs.	Process B Rs.	Process C Rs.
Direct Materials	56000	64000	96000
Direct Wages	72000	96000	124000
Production Overheads	48000	68800	86000
Stock on 31.03.2024	16000	28800	54000
Sales			

You are required to prepare :
1) Process Cost Accounts showing the profit in each process
2) Actual realised profit statement

Q. 3.(a) Pass Journal entries for the following transaction of Jiya Ltd for the month of May   (15)
2024 under Integrated system of Accounting.

	Rs.
Material purchased from Janvi & Co.(credit 75%)	3,00,000
Material issued to production	1,00,000
Wages paid to worker	50,000
Wages applied to factory	10,000

Factory overhead incurred(40% of wages paid to workers)	
Office overheads applied to cost of sales	30,000
Salesmen salaries paid	5,000
Salary paid to Lalit	25,000
Cost of goods produced	4,00,000
Material lost	15,000
Sales to HCC Ltd (20% on cash)	5,00,000

OR

3.(b) Coldplay Ltd operates separate cost accounting and financial accounting system. The following is the opening balance as on 1st August 2024 in the cost ledger   (15)

Particulars	Dr (Rs)	Cr (Rs)
Stores ledger control A/c	1,80,000	
WIP Control A/c	1,20,000	
Finished Goods Control A/c	1,50,000	
Cost Ledger Control A/c		4,50,000
	4,50,000	4,50,000

Transactions for the month of August 2024 were as under :
1. Material purchased Rs. 1,00,000.
2. Wages paid – Direct 75,000 & Indirect Rs.25,000.
3. Factory Overheads incurred Rs.54,000.
4. Material issued to Factory Rs.45,000.
5. Finished goods at cost Rs.3,00,000.
6. Cost of goods sold Rs.2,60,000.
7. Material issued to Production Rs.1,50,000
8. Sales Rs.3,50,000.
9. Material damaged and written off to costing Profit & Loss A/c Rs.16,000.

You are required to prepare
1. Stores Ledger Control A/c.
2. WIP Control A/c.
3. Finished Goods Control A/c.
4. Costing Profit & loss A/c.
5. Cost ledger Control A/c.
6. Trial Balance as on 31th August 2024

Q4 (a) JSK Bank operated for years under the assumption that profitability can be increased by increasing Rupee volume. But that has not been the case . cost has revealed the following :   (15)

Activity	Activity Cost	Activity Driver	Activity Capacity
Providing ATM Service	1,40,000	Number of Transaction	2,80,000
Computer Processing	14,00,000	Number of Computer Transaction	35,00,000
Issuing Statements	1120,000	Number of Statement	7,00,000
Customer Inquiries	5,04,000	Telephone minutes	8,40,000

The following annul information on three product was also made available:

Activity	Saving Accounts	Personal Loans	Credit Cards
Units of Product	42,000	7,000	14,000
ATM Transaction	2,52,000	0	28,000
Computer Transactions	2,80,000	2,80,000	4,20,000
Number of Statements	4,20,000	70,000	2,10,000
Telephone minutes	4,90,000	1,26,000	2,24,000

Required:-
1) Calculate rates for each activity.
2) Calculate the cost of each Product.

OR

4.(b) Ganesh Transport Co. owns a bus which runs between Mumbai to Shirdi and back, for

30 days in a month. The distance between Mumbai to Shirdi is 250 kms. The bus completes

the trip from Mumbai to Shirdi and back on the same day. (15)

The following information is available :
Cost of bus Rs. 36,00,000
Depreciation Rate 20% p.a.
Salary of Driver Rs. 35,000 p.m.
Insurance Premium 1% p.a.
Salary of Cleaner Rs.9,000 p.m.
Salary of Conductor Rs.18,000 p.m.
Diesel consumption is 15 kms per litre of diesel and cost of diesel per litre is Rs.91.
Tax and license fees is Rs.1,20,000 p.a.
Oil and lubricants is Rs.50 per 25 kms.
Repairs and maintenance Rs.10,000 p.m.
Permit fees Rs. 24,000 p.m
Normal capacity of bus is 60 passengers.
The bus generally has 70% of its capacity occupied when it goes to Shirdi.
Calculate the fare to be charged if a profit at 20% is to be earned on takings.

Q5. (a) What is advantages of Uniform Costing ? (08)

(b) Distinguish between Normal and Abnormal loss. (07)

OR

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

1. Wages Control Account.
2. Cost driver.
3. Inter-firm comparison.
4. Inter Process Profit.
5. Features of Service costing.