

Date
25/09/2024

Time: 3 Hrs

Marks 100

Note:

- All Questions are compulsory.
- Figures to the right indicate full marks allotted to the questions.
- Working Notes wherever necessary should form a part of your answer.
- Calculate figures up to the two decimal points wherever required.

Q1. A. State whether the following are True or False: - (Any 10) 10 marks

1. The ending balance in work-in-progress control represents the total costs of all jobs that have not yet been completed.
2. Cost of normal wastage of materials is debited to the Contract Account.
3. Abnormal loss is charged to costing profit and loss account.
4. Contribution margin and gross margin mean one and the same thing.
5. Margin of safety indicates profit.
6. A firm incurs a loss when contribution is equal to the fixed cost.
7. Standard price is used while computing all Material Cost Variances.
8. Standard quantity is not used while computing material price variance.
9. Standard rate is used while computing all Labour Cost Variance.
10. Only activity-based costing can be used to allocate manufacturing factory overheads.
11. ABC usually results in less appropriate management decisions.
12. ABC eliminates all arbitrary cost allocations.

Q.1 B. Fill in the blanks and rewrite the sentence: -(Any 10) 10 marks

1. Cost of unfinished work is shown by _____ ledger.
2. Direct wages are debited to _____ control account.
3. The contract price is Rs. 5,00,000 and the payment received is Rs. 3,15,000 which is 90% of the work certified. The amount of work certified is Rs. _____.
4. The inputs in the process were 1000 units and the normal loss was 10% and the actual output was 910 units. There was an abnormal _____ of 10 units.
5. If fixed cost is Rs. 50,000 and the P/V ratio is 10%, the BEP will be Rs. _____.
6. The cost which changes with production is known as _____ cost.
7. If the sales are Rs. 500000 and the contribution is Rs. 40,000, then the PV ratio is _____.
8. Labour _____ variance is the difference between the standard hours specified for the output and the actual time used for the actual output.
9. $MPV + MUV =$ _____
10. The first step in the process of benchmarking is _____.
11. A cost _____ is a term used to indicate grouping of costs incurred on a particular activity which drives them.
12. Any element that would cause a change in the cost of activity is cost _____.

Q2.A. Aariv Ltd. follows non-integrated system of accounting. Following is the Trial Balance as on 01-03-2024:

Particulars	20 Marks	
	Dr. ₹	Cr. ₹
Stores Ledger Control A/c	5,00,000	-
Work-in-Progress Control A/c	4,00,000	-
Finished Goods Control A/c	7,00,000	-
Cost Ledger Control A/c	-	16,00,000
Total	16,00,000	16,00,000

Following were the transaction during the month of March :

Particular	₹
Material Purchase	15,00,000
Material issued to Production	6,00,000
Factory Office	80,000
Total Wages paid	20,000
Direct Wages charges to Production	6,00,000
Indirect Wages	5,00,000
Office Overheads paid	1,00,000
Office Overheads applied to Finished Goods	60,000
Selling and Distribution Overheads incurred	76,000
Selling and Distribution Overheads applied to Cost of Sales	60,000
Factory Overheads charged to Production @35% of Direct Wages	62,000
Finished Goods Produced	16,00,000
Cost of Finished Goods	20,00,000
Sales	24,00,000

Prepare the following accounts for the Month:

- Stores Ledger Control A/c
- Work-in-Progress Control A/c
- Finished Goods Ledger Control A/c
- Cost Ledger Control A/c
- Factory Overhead Control A/c
- Office Overhead Control A/c
- Selling and Distribution Overhead Control A/c
- Profit and Loss A/c

OR

B. Shaurya Ltd. follows non-integrated system of accounting. Following is the Trial Balance as on 01-03-2024:

20 Marks

Particulars	Dr. ₹	Cr. ₹
Stores Ledger Control A/c	170000	-
Work-in-Progress Control A/c	228000	-
Finished Goods Control A/c	120000	-
Cost Ledger Control A/c	-	518000
Total	518000	518000

Following were the transaction during the month of March :

Particular	₹
Material Purchase	500000
Material issued to Production	472000
Direct Wages paid	700000
Manufacturing Overheads paid	446000
Manufacturing Overheads recovered	444400
Selling and Distribution Overheads incurred	154000
Selling and Distribution Overheads applied to Cost of Sales	153200
Work-in-progress at the end	247000
Stock of Finished Goods at the end	147000
Sales	1600000

Prepare the following accounts for the Month:

- Stores Ledger Control A/c
- Work-in-Progress Control A/c
- Finished Goods Ledger Control A/c
- Cost Ledger Control A/c
- Factory Overhead Control A/c
- Office Overhead Control A/c
- Selling and Distribution Overhead Control A/c
- Profit and Loss A/c

Q3.A. XYZ Ltd. provides you the following information for the year ended 31st March 2024.
20 Marks

Particulars	Processes		
	X	Y	Z
Raw materials (units)	3,000	610	650
Cost of Raw material per unit ₹	5	5	5
Direct wages ₹	8,500	6,000	3,750
Production Overheads ₹	4,040	4,050	2,400
Normal Loss(% of total no. of units entering to the process)	4%	5%	3%
Wastage (% of total no. of units entering to the process)	6%	5%	4%
Scrap per unit of wastages ₹	3	4	5
Output transferred to subsequent process	70%	60%	...
Output sold at the end of the process	30%	40%	100%
Selling price per unit ₹	16	32	40

Prepare process of X , Y and Z account.

OR

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Material Purchase	500000
Material issued to Production	472000
Direct Wages paid	700000
Manufacturing Overheads paid	446000
Manufacturing Overheads recovered	444400
Selling and Distribution Overheads incurred	154000
Selling and Distribution Overheads applied to Cost of Sales	153200
Work-in-progress at the end	247000
Stock of Finished Goods at the end	147000
Sales	1600000

Prepare the following accounts for the Month:

- Stores Ledger Control A/c
- Work-in-Progress Control A/c
- Finished Goods Ledger Control A/c
- Cost Ledger Control A/c
- Factory Overhead Control A/c
- Office Overhead Control A/c
- Selling and Distribution Overhead Control A/c
- Profit and Loss A/c

Q3.A. XYZ Ltd. provides you the following information for the year ended 31st March 2024.
20 Marks

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	X	Y	Z
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Selling price per unit ₹	16	32	40

Prepare process of X , Y and Z account.

OR

Q3.B. Amulya Construction Pvt. Ltd provides you the following information: 20marks

Particulars	Actual Expenditure (1/9/2022 Upto 31/3/2023)	Estimated Additional Expenditure (1/4/2023 to 31/3/2024)
Direct Material	1,85,000	1,60,000
Indirect Material	1,20,000	1,30,000
Direct Wages	4,50,000	4,25,000
Supervision Charges	1,30,000	75,000
Architect Fees	1,75,000	1,25,000
Construction overheads	1,40,000	25,000
Administrative Overheads	20,000	34,000
Closing Material at site	65,000	----
Work Uncertified at the end of the year	1,20,000	----
Work Certified during the year	15,00,000	17,00,000

- Contract Price was Rs.32,00,000
- The value of Plant & Machinery sent to site was Rs.8,00,000, whereas the scrap value of the plant & Machinery at the end of the project was estimated to be Rs.40,000
- It was decided that the profit to be taken credit for should be that proportion of the estimated profit to be realized on completion of the project which the certified value of work as on 31/3/2023 bears to the total contract price.

You are required to prepare Contract A/c for the period ended 31st March, 2023 along with the working of profit to be taken credit for.

Q4.A. You are given the following information:

10 marks

Selling Price	Per Unit	Rs 40
Variable Cost	Per Unit	Rs 30
Fixed Cost		Rs 180000

Calculate:

- P/V Ratio
- BEP in Units
- New Break Even Sales in Rupees if Sales Price is reduced by 10%
- New Break Even Sales in Rupees if Sales Price is increased by 10%

Q.4.B. A groundnut oil manufacturer requires 3kg of groundnuts for manufacturing 1kg of groundnut oil in normal conditions. The standard price of groundnut is expected to be Rs.2.50 per kg. The actual quantity of oil produce during the year 2023 was 2000 kg and the groundnuts required for the same was 6500 kg at a price of Rs. 3 per kg. You are required to calculate Material cost Variance, Material Price Variance, Material Usage Variance and also verify the same.

10marks.

OR

Q4.C. A company annually manufactures and sells 30000 units of a product, the selling price of which is Rs 50 per unit. 10 marks

Material Cost	Rs 400000
Labour Cost	Rs 170000
Overheads – Variable	Rs 150000
Overheads – Fixed	Rs 260000

Compute:

- a) P/V Ratio
- b) Break Even Sales in Units
- c) Margin of safety
- d) Sales to earn a profit of Rs 1040000

Q.4.D. From the following information, find all the labour variances and its verification 10 marks

Particulars	Standard	Actual
Labour hours	320	300
Rate per hour	2.00	2.20

Q.5. Answer the following questions

A. Explain features of Benchmarking? 10marks

B: Explain the concept of contribution and P/v ratio in marginal costing? 10 marks

OR

Q5 Write short notes (Any four out of six) 20 marks

- a) Activity based costing .
- b) Work Uncertified
- c) By product in process costing .
- d) Wages control account
- e) Break even point
- f) Standard Overhead cost