END OF SEMESTER EXAMINATIONS, APRIL/MAY – 2017
APPLIED COST ACCOUNTING
SUBJECT CODE: 14P3CO15/14P3CC07

MAJOR: M.COM./M.com.CA   SEMESTER : IV
TIME : 3 HOURS   MAX. MARKS: 70

SECTION – A (5 X 5 = 25)

Answer Any FIVE Questions:

1. Explain the advantages of Cost Accounting.

2. "Costing is an aid to management" Explain.

3. Prepare a cost sheet from the following details:

	Rs.
Direct Materials	90,000
Direct Wages	45,000
Factory expenses	9,000
Office expenses	5,000
Selling expenses	2,000

4. In Process A 100 units of raw materials were introduced at a cost of Rs.1,000. The other expenditure incurred by the process was Rs.602. Of the units introduced 10% are normally lost in the course of manufacture and they possess a scrap value of Rs.3 each. The output of Process A was only 75 units. Prepare Process A account and Abnormal loss account.

5. A firm of large contractors kept separate accounts for each contract. On 31.12.92 the following were shown as being the expenditure in connection with Contract No.101.

	Rs.		Rs.
Materials issued from stores	48,925	Establishment Charges	43,600
Materials purchased	2,90,315	Plant which has been used on other contracts	62,615
Wages	3,68,710	Additional Plant Purchased	18,050
Direct expenses	10,130		

The contract which had commenced on 01.07.92 was Rs.1,50,000 and the amount certified by the architect, after deduction of 20% retention money was Rs.6,04,000, the work being certified till 31.12.92. The materials on site on that date were valued at Rs.49,290. The depreciation on plant in respect of this contract till 31.12.92 was Rs.5,650. Prepare Contract A/c, showing the profit on the contract up to 31.12.92.

6. A truck starts with a load of 10 tonnes of goods from station P. It unloads 4 tonnes at a station Q and Rest of the goods at station R. It reaches back directly to station P after getting reloaded with 8 tonnes of goods at station R. The distance between P to Q, Q to R and then from R to P are 40 kms. 60 kms. and 80 kms. respectively. Compute "Absolute tonne-kms" and "Commercial tonne-kms".

7. Explain the objectives of Cost Audit.

8. From the following particulars calculate:
   (i) Materials cost variance (ii) Materials price variance (iii) Materials usage variance.

Materials	Standard		Actual	
	Units	Price (Rs.)	Units	Price (Rs.)
A	1010	1.00	1080	1.2
B	410	1.50	380	1.8
C	350	2.00	380	1.9

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SECTION – B (3 X 15 = 45)

Answer Any THREE Questions:

9. Explain the methods of costing.

10. Distinguish between Cost Audit and Financial Audit.

11. From the following data relating to the manufacture of a student product during the month of September 2003. Prepare a statement showing the cost and profit per unit.

Raw materials used	Rs.40,000
Direct Wages	Rs.24,000
Machine hours worked	9500 hours
Machine hour rate	Rs.4 per hour
Office overheads	20% on works cost
Selling overheads	Re.1 per unit
Units produced	20,000 units
Units sold	18,000 @ Rs.10 per unit.

12. Bharat Chemicals Ltd. manufacture and sell their chemicals produced by consecutive processes. The products of these processes are dealt with as under:

	Process I	Process II	Process III
Transferred to next Process	662/3%	60%	--
Transferred to warehouse for sale	331/3%	40%	100%
Raw materials used (in tons)	1400	160	1260
Rate per ton (Rs.)	10	16	7
Wages and other expenses (Rs.)	5152	3140	2898

In each process 4% of the weight put in is lost and 6% is scrap which from Process I realized Rs.3 per ton, from Process II Rs.5 per ton and from Process III Rs.6 per ton. Prepare process accounts showing cost per ton of each product.

13. From the following data, calculate labour variance:

The budget labour force for producing product A is:
  20 Semi-skilled workers @ 75p. per hour for 50 hours
  10 Skilled workers @ Rs.1.25 per hour for 50 hours
The actual labour force employed for producing A is:
  22 Semi-skilled workers @ 80p. per hour for 50 hours
  8 Skilled workers @ Rs.1.20 per hour for 50 hours

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