

**Cost Accounting (Test II)**  
**B. Com (H) Sem IV (Sec A and B)**

**Time: 1.5 Hrs.**  
**Max Marks: 24**

**4 May, 2023**  
**Dr. Rajinder Singh**

**Note: Attempt any two questions**

- Q 1. (a) On 31<sup>st</sup> Dec, 2010 when annual accounts of ABC Ltd were prepared, the position of a contract which was commenced on 1<sup>st</sup> Apr, 2010, was as follows: Materials issued Rs. 5,95,000; Wages paid Rs. 6,87,000; Sundaries Rs. 41,000; Plant dispatched at site Rs. 1,00,000; Wages accrued Rs. 17,000; Materials in hand Rs. 24,000. Rs. 10,80,000 had been received from the contractee being 75% of work certified. Cost of work uncertified was Rs. 40,000. Materials costing Rs. 10,000 was damaged and was sold Rs. 2000. Rate of depreciation on plant to be 20% pa. The contract price was Rs. 24,00,000. You are required to prepare Contract Account showing profit or loss and the sum which you consider appropriately transferable to the Profit and Loss Account. (Show your working notes clearly) (8)
- (b) Write any four limitations of Cost Accounting. (4)

Q 2.

**Illustration 2.** The following is the cost data relating to product 'R' for the year ending December 31, 2018.

	₹
Purchase of Raw Materials	6,00,000
Factory Rent & Insurance	80,000
Carriage Inwards	14,000
Other Factory Overheads	1,40,000
Direct Wages	4,00,000
Expenses directly traceable	50,000
Stock on 1-1-2018:	
Raw Materials	1,00,000
Finished Goods (1,000 units)	80,000
Administrative Overheads	1,50,000
Sales	17,74,000
Stock on 31-12-2018:	
Raw Materials	64,000
Finished Goods (2,000 units)	?

There was no stock of work-in-progress either at the beginning or at the end. Advertising and other selling costs were ₹ 10 per unit. During the year 15,000 units of product R was produced.

Ascertain : (a) total the cost of production (b) the cost of goods sold (c) the cost of sale, and, (d) the net profit for the year; and work out (i) the percentage of factory overheads on direct wages (ii) the percentage of administration overheads on works cost, and (iii) the net profit per unit.

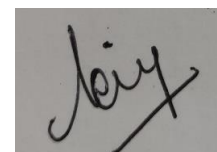
(12)

- Q 3. (a) Following information in respect of material is available for the month of January, 2011.

Date		Units	Vale (Rs.)
Apr 1, 2011	Opening Balance	300	600
Apr 2, 2011	Purchased	200	440
Apr 4, 2011	Issued	150	---
Apr 6, 2011	Purchased	200	460
Apr 11, 2011	Issued	150	---
Apr 19, 2011	Issued	200	---
Apr 22, 2011	Purchased	200	480
Apr 27, 2011	Issued	250	---

Record the above information in store ledgers, pricing the issues at (i) FIFO method and (ii) Weighted Average Price Method. (8)

- (b) Write any four differences between Cost Accounting and Financial Accounting. (4)



**Cost Accounting**  
**B. Com (H) Sem IV (Sec A and B)**  
**(CA Test 2)**

**Time: 30 Minutes**

**Max Marks: 10**

**Note: Attempt any one questions**

Q 1. (a)

**Example 3.** 1,000 Units were introduced into process 'A' at a cost of ₹ 20,000. The additional costs incurred for the process were direct labour ₹ 10,000, direct expenses ₹ 5,000 and manufacturing overheads allocated were ₹ 3,000. From past experience and technical estimates, a normal loss equal to 10% of the input is expected, which has scrap value of ₹ 2 per unit. The actual output for the period was 800 units. Assuming no work-in progress in the process, prepare the Process 'A' Account and show how abnormal loss will be treated in accounts.

**Solution:**

(6)

(b) Differentiate between cost unit and cost centre

(4)

Q 2.

I. From the following information prepare reconciliation statement :

(i)	Profit as per cost accounts	1,45,000
(ii)	Works overheads under-recovered	9,500
(iii)	Administration overheads under-recovered	27,750
(iv)	Selling overheads over-recovered	19,500
(v)	Over-valuation of opening stock in Cost Accounts	15,000
(vi)	Over-valuations of closing stock in Cost Accounts	7,500
(vii)	Interest earned during the year	3,750
(viii)	Rent received during the year	27,000
(ix)	Bad debts written off during the year	9,000
(x)	Preliminary expenses written off during the year	18,000

(10)

