

SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN (AUTONOMOUS)  
(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)  
Chromepet, Chennai — 600 044.

B.Com. END SEMESTER EXAMINATIONS NOVEMBER-2022  
SEMESTER - VI

**UCO/CT/6019 - Advanced Cost Accounting**

Total Duration : 3 Hrs

Total Marks : 75

**Section A**

Answer any **TEN** questions (10 × 2 = 20 Marks)

1. What is cost plus contract?
2. What is contract costing?
3. The following expenses were incurred on an unfinished contract during the accounting year 2010.  
Material 90,000  
Wages 80,000  
Other expenses 5,000  
Rs.2,00,000 was received from the contractee, being 80% of the work certified. Work done but not certified was Rs.5000.  
Determine the profit to be credited to profit and loss account when contract price Rs.3,00,0000
4. Write a note on Work certified.
5. Find out the selling price:  
Prime cost per unit : Rs.720  
Works overhead : 20% of work cost  
Office overhead : 10% of cost of production  
Selling overhead : 20% on sales
6. Write note on Escalation clause.
7. What is 'Transport Costing' ?
8. Explain the concept of By-product.
9. Compute the profit of job 602:  
Cost of sales Rs.9,000  
Profit 10% on sales
10. Calculate the amount of selling overhead from the following:  
Works cost: Rs.60,000  
Office overhead: Rs.5,000.
11. Pankajam travels employs 5 buses which run over a route of 140kms (one way), making one round trip per day. The buses run 360 days per year and 10% of them on average are laid out for repairs. Ascertain the total running kms per year.
12. From the following information, calculate total - ton kms:  
No. of lorries: 10, capacity 5 tons each. Days operated 25 days per month. Trips made by each lorry: one trip a day of a distance of 120 km. Average load carried 80% of capacity. Empty running - 40% of the running distance.

**Section B**

Answer any **FIVE** questions (5 × 5 = 25 Marks)

13. Number of buses 10  
Days operated in a month 25  
Round Trips made by each bus 4  
Distance of route 20 km long  
Capacity of bus 60 persons  
Normal passengers travelling 90% of capacity  
Calculate:  
a. Total kms covered in a month  
b. Total passenger kms

**Contd...**

14. From the following particulars relating to four jobs of a manufacturer, ascertain the total cost of each job.

	Job No.1	Job No.2	Job No.3	Job No.4
Direct Materials	800	1,000	1,200	1,400
Direct Wages	400	500	600	700
Direct expenses	80	100	120	140

Works Overhead is 45% on prime cost and office overhead is 15% on works cost.

15. From the following you are required to prepare process account:

Materials Consumed: 12,000  
 Direct labour: 14,000  
 Manufacturing expenses: 4,000  
 Input Process A (10,000 units)  
 Output units (9,400 units)  
 Value of normal wastage Rs.8 per 100 units.

16. Prepare statement of equivalent production, statement of cost and process account from the following information:

Unit introduced: 7,600  
 Output (units): 6,000  
 Process cost:  
 Materials: Rs.14,560  
 Labour: Rs.21,360  
 overhead: Rs.14,240  
 Degree of completion of closing work-in-progress  
 Material: 80%  
 Labour: 70%  
 Overhead: 70%

17. Modern printers undertook two jobs during the 1<sup>st</sup> week of June 1998. The following details are available:

	Job 110	Job 120
Materials supplied	4,000	2,000
Wages paid	900	600
Direct expenses	200	100
Materials transfer from job 120 to 110	200	200
Materials returned to stores	-	100

Find the cost of each job and profit or loss if any, assuming that job 120 is completed and invoiced to the customer at Rs.3,000.

18. A transport company is running 4 buses between two towns which are 50kms apart. Seating capacity of each bus is 40 passengers. The following particulars were obtained from their books for April 2016.

Wages of drivers and conductors	2,400
Salaries to office staff	1,000
Diesel and other oils	4,000
Repairs and maintenance	800
Taxes and insurance	1,600
Depreciation	2,600
Interest and other charges	2,000
	14,400

Actual passengers carried were 75% of the seating capacity. All the four buses run on all days of the month. Each bus made one round trip per day. Find out the cost per passenger km.

19. The road transport company which keeps a fleet of lorries shows the following information:

Kms run in April: 30,000  
 Wages for April: Rs.2,000  
 Petrol, oil, Etc., for April: Rs.4,000  
 Original cost of vehicles: Rs.1,00,000

### Section C

Answer any **THREE** questions (3 × 10 = 30 Marks)

20. The following data are from the costing records of Samarth industries Ltd., in respect of job no.76

Materials consumed Rs.6,000  
 Wages:  
 Cutting Department 20 hours at Rs.50 per hour  
 Shearing Department 10 hours at Rs.40 per hour  
 Boring Department 5 hours at Rs.60 per hour

Contd...

Variable overheads for the respective department are estimated as follows:

Cutting Department Rs.40,000 for 2,000 direct labour hours

Shearing Department Rs.20,000 for 2,500 direct labour hours

Boring Department Rs.10,000 for 400 direct labour hours

Fixed overheads are estimated at Rs.1,00,000 for 20,000 normal working hours.

You are required to ascertain the cost of job no.76 and calculate the price to be charged so as to give a profit of 20% on cost.

21. In manufacturing a product, 1,000kgs of raw materials @ Rs.8 per kg were supplied to process X. Other expenses of the process were as follows:

Labour cost: Rs.2,000

Production expenses: Rs.1,000

Normal loss in the process have been estimated at 10% of the input and could it could br sold at Rs.2 per kg. The actual output in this process was 880kgs which was transferred to process Y.

Prepare process X account and abnormal loss account.

22. The information given below has been taken from the costing records of an engineering works in respect of job number 303.

Materials: Rs.4,010

Wages:

Dept. A-60 hours at Rs.3 per hour

Dept. B-40 hours at Rs.2 per hour

Dept. C-20 hours at Rs.5 per hour

Overheads expenses for these three departments were estimated as follows:

Variable overheads:

Dept. A-Rs.5,000 for 5,000 labour hours

Dept. B-Rs.3,000 for 1,500 labour hours

Dept. C-Rs.2,000 for 500 labour hours

Fixed overheads:

Estimated at Rs.20,000 for 10,000 normal working hours.

You are required to calculate the cost job 303 and calculate the price to give a profit of 25% on selling price.

23. A product passes through two distinct processes A and B then to finished stock. The normal wastage of each process is as follows:

Process A: 3% of units entering the process

Process B: 5% of units entering the process

Wastage of process A was sold Re:0.50 per unit and process B at Re.1 per unit. 10,000 units were introduced into process A at a cost Rs.2 per unit.

The other expenses were as follows:

	Process A (Rs.)	Process B (Rs.)
Sundry materials	2,000	3,000
Wages	10,000	16,000
overhead expenses	2,100	2,375
Actual output	9,500 units	9,100 units

Prepare process accounts.

24. From the following data relating to vehicle A compute the cost per running tonne km.

	Vehicle A
Kilometers run (annual)	15,000
Tonnes per km (average)	6
	Rs.
Cost of vehicle	2,50,000
Road license (annual)	800
Insurance (annual)	700
Garage rent (annual)	1,300
Supervision and salaries p.a.	2,700
Drivers wages per hour	4
Cost of fuel per litre	6
Kms run per litre	20
Tyre allocation per km	1
Repairs and maintance per km	2
Estimated life of vehicle 1,00,000 kms	

Charge interest @ 5% per annum on cost of vehicle. The vehicle runs 20 kms. per hour on an average.

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