

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 - APRIL 2025

SEMESTER - VI

24UCOCT6017 - Advanced Cost Accounting

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

Section B

Answer any **SIX** questions (6 × 5 = 30 Marks)

1. Calculate the Economic batch quantity for a product using batch costing from the following details:

Annual demand for the product – 2000 units

Set up cost per batch – Rs.10

Cost of carrying inventory per unit – Re.1

2. The following are the expenses of Balaji & Co., in respect of a contract which commenced on 1st January 2018.

	Rs.
Materials purchased	50,000
Materials on hand	2,500
Direct wages	75,000
Plant issued	25,000
Direct Expenses	40,000

The contract price was Rs.7,50,000 and the same was duly received when the contract was completed in August 2018. Charge indirect expenses at 15% on wages; provide Rs.5,000 for depreciation on plant and prepare the contract account and the contractee's account.

3. From the following information, calculate total kms, and total passengers kms.
- (i) Number of buses – 5
 - (ii) Days operates in a month – 25
 - (iii) Trips made by each bus – 4
 - (iv) Distance of Route – 20 kms long (one way)
 - (v) Capacities of the bus – 50 passengers
 - (vi) Normal passengers travelling – 90% of capacity.
4. In manufacturing of a product 1000 kgs of material at Rs. 8 per kg were supplied to process I. other expenses of the process were as follows:
Labour cost amounting to Rs.2,000 and production overhead incurred was Rs.1,000.
The normal loss was estimated at 10% of the input and sold at Rs.2 per kg.
Actual production in the process was 880 kgs. Prepare Process I Account and Abnormal Loss Account.

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

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

6. From the following information prepare Job No.236 account in the Job Cost Ledger.

	Rs.
Direct materials purchased	3,600
Direct materials received from stores	25,200
Direct wages	14,400
Other direct expenses	1,500

The works overheads are to be taken at 75% of wages and administrative overheads at 25% of works cost. The contract price of Job No.236 which is completed is fixed as Rs.82,500.

7. Distinction between Job Costing and Contract Costing.
8. Explain the procedure for computation of equivalent production.

Section C

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

9. Murugan Products Ltd., produced 10,000 units during 2004 of the only products they manufacture and request you to prepare their production account for the year, showing clearly cost per unit and total cost.

	Rs.
Stock of material on 1.1.2004	40,000
Stock of material on 31.12.2004	70,000
Stock of work in progress on 1.1.2004	30,000
Stock of work in progress on 31.12.2004	20,000
Materials purchased	2,30,000
Materials scrap sold	10,000
Wages paid	1,60,000
Production expenses	40,000

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10. The following expenses were incurred on a contract still unfinished on 31.12.2014.

	Rs.
Materials	40,000
Wages	35,000
Other expenses	25,000

Rs.2,00,000 was received from the contractee being 80% of work certified. Work uncertified was Rs.10,000. You are required to calculate the profit to be credited to profit and loss account:

- If the contract price was Rs.4,00,000
 - If the contract price was Rs.8,00,000
 - If the contract price was Rs.20,00,000
11. A transporting company is running 4 buses between two towns which are 50 kms apart. Seating capacity of each bus is 40 passengers. The following particulars were obtained from their books for April 2021.

	Rs.
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

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.

12. Product 'A' is obtained after it passes through three distinct processes. Prepare process account from the following:

	Total	Process I	Process II	Process III
Materials	15,084	5,200	3,960	5,924
Wages	18,000	4,000	6,000	8,000
Production OH	18,000	-	-	-

1,000 units of materials @ Rs.6 per unit were introduced in process I, production overhead is to be distributed as 100% on wages.

Process	Total output units	Normal Loss	Value of scrap per unit (Rs.)
I	950	5%	4
II	840	10%	8
III	750	15%	10

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13. Vasanth Ltd., manufactures product A. which yields two – by – products B and C. the subsequent expenses and other data were as follows;

	A (Rs.)	B (Rs.)	C (Rs.)
Materials	100	75	25
Wages	200	125	50
Overheads	150	125	75
	450	325	150
Profit as % on sales	30%	25%	15%
Sales	6,000	4,000	2,500

Prepare a statement showing apportionment of joint costs to the main product and the by – products.
