

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. A&F - END SEMESTER EXAMINATIONS - APRIL 2025
SEMESTER - VI
20UAFCT6018 - Advanced Cost Accounting

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

Section BAnswer any **SIX** questions ($6 \times 5 = 30$ Marks)

1. The accounts of a machine manufacturing company disclose the following information for the six months ending 31st Dec. 2017.

Particulars	Amount (Rs.)
Material used	1,50,000
Production wages	1,20,000
Factory overheads expenses	24,000
Establishment and general expenses	17,640

Sketch a cost sheet of the machines and compute the price which the company should quote for the manufacture of a machine requiring materials valued at Rs.1,250 and expenditure in production wages of Rs.750, so that the price may yield a profit of 20% on the selling price.

2. Modern Printer undertook two jobs during the 1st week of June 2007. The following details are available

Particulars	Job 110 (Rs.)	Job 120 (Rs.)
Material supplied	4,000	2,000
Wages paid	900	600
Direct expenses	200	100
Material transfer from job 120 to 110	200	200

Compute 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.

3. The following is the information relating to contract No.123

Particulars	Rs.
Contract price	6,00,000
Wages	1,64,000
General Expenses	8,600
Raw Materials	1,20,000
Plant	20,000

As on date, cash received was Rs.2,40,000 being 80% of work certified. The value of materials remaining at side was Rs.10,000. Depreciate plant by 10%. Prepare Contract Account showing profit to be credited to P&L A/c.

4. Compute the cost of each process and total cost of production from the data given below.

Particulars	Process 1 (Rs.)	Process 2 (Rs.)	Process 3 (Rs.)
Material	2,250	750	300
Wages	1,200	3,000	900
Direct Expenses	500	500	500
Work overheads	1,890	2,580	1,875

Other indirect expenses of Rs.1,275 should be apportioned on the basis of wages.

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5. Laxmi Travels, a transport company is running a fleet of six buses between two towns 75kms.apart. The seating capacity of each bus is 40 passengers. The following particulars are available for the month of April 2017.

Particulars	Rs.
Wages of drivers, conductors, etc.	3,600
Salaries of office and supervisory staff	1,500
Diesel oil, etc.	10,320
Repairs and Maintenance	1,200
Taxes and insurance	2,400
Depreciation	3,900
Interest and other charges	3,000

The actual passengers carried were 80% of the capacity. All the buses run all the days in the month. Each bus made one round trip per day. Find out the cost per passenger kilometre.

6. The following cost data is available from the books of A.B.C Power Co., Ltd., for 2021. Prepare cost sheet showing cost of power generation per unit of K.W.H.

Particulars	Rs.
Operating labour	16,500
Plant supervision	5,250
Lubricants and suppliers	10,500
Repairs	21,000
Administrative Overheads	9,000
Capital Cost	1,50,000

Total units of power generated 15,00,000. Coal consumed per K.W.H. for the year is 1.5 pounds and the cost of coal purchased is Rs.33.06 per metric ton Depreciation is at 4% per annum and the interest on capital is to be taken at 7% per annum.

7. The following information is obtained from XY and Co for 2006:

	Rs.
Sales	20,000
Variable Costs	10,000
Fixed costs	6,000

- (a) compute P/V Ratio
 (b) Breakeven Point &
 (c) Margin of safety at the current sales level.
8. Examine the different factors to be considered while taking a make no buy decision.

Section C

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

9. The particulars of a factory for the year 2018 are given below:

Particulars	Rs.
Raw Materials	3,00,000
Direct Wages	1,68,000
Works overheads	1,50,000
Office overheads	1,68,000
Selling overheads	1,12,000
Distribution overheads	70,000
Net profit	1,10,000

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In 2019, the expenses incurred on the execution of a work under:

Raw materials Rs.12,000; Wages Rs.7,000; assuming that in 2019 works overheads went up 20% distribution overheads went down by 10% and selling and office overheads went up by 12.5%, at what rate of price should the product be quoted so as to earn the rate of profit on the selling price same as in 2018?

10. M/s. Arun and Varun undertook a contract for Rs.2,50,000 for constructing a college building. The following is the information concerning the contract during the year 2018.

Particulars	Rs.
Materials sent to site	85,349
Labour engaged on site	74,375
Plant installed at site at cost	15,000
Direct expenditure	3,167
Establishment charges	4,126
Materials returned to stores	549
Work certified	1,95,000
Value of plant as on 31 st Dec.2018	11,000
Cost of work not yet certified	4,500
Materials at site 31 st Dec.2018	1,883
Wages accrued 31 st Dec.2018	2,400
Direct expenditure accrued 31 st Dec.2018	240
Cash received from contractee	1,80,000

Prepare contract account, contractee's account and show how the work-in-progress will appear in the balance sheet as on 31st Dec.2018.

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

Process A 3% and Process B 5%

The wastage of process A was sold at Rs.5 per unit and that of process B at Rs.10 per unit. 20,000 units were introduced into process A at the beginning of January 2007 at a cost at Rs.40 per unit.

Other expenses were as under:

Particulars	Process A (Rs.)	Process B (Rs.)
Sundry materials	40,000	60,000
Wages	2,00,000	3,20,000
Manufacturing expenses	30,000	28,500

The output of process A was 19,000 units and that of process B 18,200 units. Prepare the process account, normal loss account, abnormal loss account and abnormal gain account.

12. Briefly classify various types of services for which operating cost method can be used.

13. A company shows the following results for two periods

Period	Sales (Rs.)	Profit (Rs.)
I period	20,000	1,000
II period	10,000	400

Deduce:

- (a) P/V Ratio
- (b) Fixed Cost
- (c) BEP
- (d) Profit when sales are Rs.30,000.
