

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.Honours - END SEMESTER EXAMINATIONS - APRIL 2025

SEMESTER - IV

23UBHCT4017 - Advanced Cost Accounting

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

Section B

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

1. Explain the purpose of Cost Accounting Standards with examples.
2. Calculate the percentage of normal loss in each of the following cases.
Case (a) Input 4,000 Units, Output 3,400 Units, Abnormal loss 200 Units
Case (b) Input 4,000 Units, Output 3,800 Units, Abnormal gain 200 Units
3. From the following information, calculation total kms and total passenger kms.
No. of buses 5; Days operated in a month 30; Trip made by each bus 4; Distance of route 20kms. Long (one side) capacity of the bus 50 passengers. Normal passengers travelling -75% of the capacity.
4. A company has the following data for material cost:

Standard Price per kg	= Rs.10
Standard Quantity for Actual Output	= 500 kg
Actual Price per kg	= Rs.12
Actual Quantity Used	= 550 kg

 Calculate:
 1. Material Cost Variance (MCV)
 2. Material Price Variance (MPV)
5. Compute the Economic Batch Quantity for a product using batch costing using the following details:

Annual demand for the product	= 2,000 units
Set up cost per batch	= Rs.10
Cost of carrying inventory per unit	= Re.1
6. From the following data, calculate the units of normal loss in each process and prepare a Normal Loss Account.

Process	Input Introduced	Output Transferred to Next Process	Value of Scrap Per Unit
Process I	1,000	900	Rs. 1
Process II	-	720	Rs. 2
Process III	-	540	Rs. 3

Contd...

7. What is operating cost? Explain its different types.

8. A company provides the following overhead data:

Standard Overhead Rate per hour = Rs.30

Standard Hours for Actual Output = 400 hour

Actual Overhead Rate per hour = Rs.32

Actual Hours Worked = 420 hours

Calculate: Overhead Cost Variance (OCV), Overhead Expenditure Variance (OEV)

Section C

I - Answer any **TWO** questions (2 × 10 = 20 Marks)

9. Describe the significance of Responsibility Accounting in performance evaluation.

10. The following particulars relate to a certain contract carried out by Lavanya Builders during the year ended 30th June 2009.

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Work certified	1,43,000	Establishment charges	3,250
Materials issued	64,500	Direct expenses	2,600
Labour cost	54,800	Wages accrued due (outstanding)	1,800
Plant installed	11,300	Materials closing balance	1,400
Value of plant (closing)	8,200	Materials returned to site	400
Uncertified work	3,400		
Cash received	1,30,000		
Contract price	2,00,000		

Prepare the Contract Account and transfer to the profit and loss account the portion of the profit which you consider reasonable.

11. A product passes through two distinct processes, A and B, and then to finished stock. Using the given data, prepare Process Accounts.

Particulars	Process A	Process B
Materials Consumed (Rs.)	12,000	6,000
Direct Labour (Rs.)	14,000	8,000
Manufacturing Expenses (Rs.)	4,000	4,000
Input in Process A (Units)	10,000	—
Input in Process A (Value Rs.)	10,000	8,300
Output in Units	9,400	—
Normal Loss	5%	10%
Value of Normal Loss (Per 100 Units)	Rs.8	Rs.10

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12. From the following data, calculate the cost per km. of a vehicle

Cost of vehicle	Rs.1,50,000
Road licence fee per year	Rs.5,000
Insurance charges per year	Rs.1,000
Garage rent per year	Rs.6,000
Driver's wages per month	Rs.200
Cost of petrol per litre	Rs.24
Kms. per litre	8
Proportionate charges for tyre and maintenance per km.	Rs.0.20
Estimated life	1,50,000 kms
Estimated kms. per year	6,000

II - Compulsory question (1 × 10 = 10 Marks)

13. XYZ Ltd. manufactures and sells a product with the following standard and actual details for a particular month:

Particulars	Standard Cost/Quantity	Actual Cost/Quantity
Material Cost per unit	Rs.50	Rs.55
Material Quantity per unit	2 kg	2.2 kg
Labour Cost per hour	Rs.20	Rs.22
Labour Hours per unit	5 hours	5.5 hours
Overhead Rate per hour	Rs.15	Rs.16
Overhead Hours per unit	5 hours	5.5 hours
Selling Price per unit	Rs.200	Rs.190
Units Produced & Sold	1,000 units	1,200 units

Calculate the following variances:

1. Material Cost Variance (MCV)
2. Labour Cost Variance (LCV)
3. Overhead Cost Variance (OCV)
4. Sales Value Variance (SVV)
