



Institute of Management
JK Lakshmipat University
Jaipur
END TERM EXAMINATION 2015



B. Com. (Hons.) Sem-III

Course Advanced Cost Accounting

MM: 50 Marks

Time: 3 Hours

Subject code: BCH302

Instructions: Attempt any three questions from Section A. Section B is compulsory.

Section A

Q.1 Calculate factory overhead and works cost from the following information:

	Rs.
(a) Direct wages	2,00,000
(b) Material consumed	4,00,000
(c) Fuel and power	10,000
(d) Factory Supervision expenses	5,000
(e) Drawing office expenses	10,000
(f) Indirect wages in factory	10,000
(g) Audit expenses	5,000
(h) Expenses for purchases of raw material	5,000
(i) Cost of Idle time (in proportion of direct and indirect wages)	21,000
	(10 marks).

Q.2 X Ltd. is producing a product for which demand is 4,000 units p.m. J type of material is required for the product which is purchased at a price of Rs. 20 per unit. One unit of raw material is required to produce one unit of the product. Ordering cost is Rs. 120 per purchase order and carrying cost is 10% p.a.

You are required to find out:

- (a) Economic Order Quantity
 - (b) What will be cost of maintaining inventory if order is placed for economic order quantity?
- (10 marks).**

Q.3 Following information are available regarding total production of a department:

Direct material		Rs. 1,00,000
Direct wages		Rs. 60,000
(a) Labour hours worked (Hour)	20,000	
(b) Number of units produced (units)	8,000	
(c) Overhead chargeable to the department	Rs.40,000	
The details of job no. 500 carried out during the period were as follows:		
(a) Direct material		Rs. 4,000
(b) Direct wages		Rs. 3,000
(c) Labour hours	820	
(d) Number of units produced	300	

Prepare a comparative statement of cost by using five different methods of overhead absorption.

(10 marks).

Q. 4 Ram Prakash manufactures three types of fans: Table fans, Ceiling fans and Coolers.

	Material	Wages
	Rs.	Rs.
Table Fan	60	80
Ceiling Fan	100	100
Cooler	900	200

His total factory overhead in the month of August was Rs. 1,00,000.

You are asked to prepare of cost sheet showing factory cost of each type of fan after assuming that one ceiling fan is equivalent to two table fans and one cooler is equivalent to five table fans for the purpose of overhead allocation.

The production in the month of August was- Table Fans 200, Ceiling Fans 100 and Coolers 20.

(10 marks).

Q.5 What is meant by operating costing? In which industries is it used? Prepare a Transport Operating Cost Sheet with imaginary figures and discuss the various items included in it.

(10 marks).

Section B

Q.1 M/S Bricks and Stones begin to trade on 1st April 2014. The following was the expenditure on the contract of Rs. 30,00,000.

	Rs.
(a) Material issued to contract	5,10,000
(b) Plant used for contract	1,50,000
(c) Wages incurred	8,10,000
(d) Other expenses incurred	50,000

Prepare a contract Account from following additional information:

- 1) Cash received on account to 31st March, 2015 amounted to Rs 12,80,000 being 80% of the work certified.
- 2) Of the plant and material charged to the contract, plant which cost RS. 30,000 and material which cost Rs. 25,000 were lost.
- 3) At the end of the year plant costing Rs. 20,000 returned to stores.
- 4) The cost of work done but uncertified was Rs. 10,000.
- 5) Material costing RS. 23,000 were in hand on site.
- 6) Charge 15% depreciation on plant.
- 7) Make reserve equal to half of profit received.

(20 marks).