

2024

COST ACCOUNTING – II — HONOURS

Paper : DSCC-3

Full Marks : 75

*The figures in the margin indicate full marks.**Candidates are required to give their answers in their own words as far as practicable.*

Group - A

Answer **any three** questions.

1. Distinguish between job costing and contract costing. Give two examples of jobs where contract costing would be appropriate. 3+2
2. State the names of different methods of accounting for joint-products and by-products. 5
3. A transport company runs 5 buses between two places covering a distance of 30 km. Seating capacity of each bus is 40 passengers. 3 buses run 25 days a month and 2 buses run 20 days a month. All buses make four round trips daily.
Find out total passenger-km. during a month if 75% of seating capacity is utilised in case of each bus. 5
4. Mention the steps to be followed for apportionment of overhead under Activity Based Costing system with examples. 5
5. The following particulars are available in respect of a contract as on 31.03.2024 :

	₹
(i) Contract price	5,00,000
(ii) Total cost of contract to date	2,87,500
(iii) Cost of Uncertified work	12,500
(iv) Cash received	2,65,625
(v) Retention money	15%

Compute the amount of profit that may be credited to P/L A/c and the value of work-in-progress.

2+3

Please Turn Over

(1704)

Group - B

Answer *any three* questions.

6. The Trading and Profit & Loss A/c of Bright Ltd. for the year ended 31.12.2024 were as follows :

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	₹		₹
To Opening Stock	9,000	By Sales	1,50,000
" Purchases	50,000	" Closing Stock	13,000
" Direct Wages	20,000		
" Manufacturing overhead	24,000		
" Gross Profit	60,000		
	1,63,000		1,63,000

To Administrative Expenses	10,000	By Gross Profit	50,000
" Depreciation	2,000		
" Selling and Distribution expenses	8,000		
" Net Profit	30,000		
	50,000		50,000

The following information were available from the cost-records :

- Closing stock of goods ₹ 15,000
- Manufacturing overhead was recovered @ 150% on Direct Wages.
- Administrative expenses was ₹ 8,000.
- Selling and Distribution expenses was recovered @ 10% on sales.

From the above information, prepare a Reconciliation Statement and show the profit or loss as per Cost Accounts. 10

7. Pass necessary journal entries in the Cost-Books for the following transactions : 10

- Direct materials amounting to ₹ 50,000 are issued to production.
- Factory overhead paid ₹ 12,000 and unpaid ₹ 3,000.
- Office overhead recovered ₹ 10,000
- Stock destroyed by fire ₹ 3,000
- Goods completed and transferred to finished stock ₹ 80,000.

8. JK Ltd. manufactures two products X and Y using the same common facilities.

The following details are available for the month of December, 2024 :

Machine Maintenance expenses ₹ 3,00,000

Machine set-up expenses ₹ 3,00,000

	Product X	Product Y
Production during the month	2,000 units	4,000 units
Machine hour requirement per unit	3 hrs.	1 hr.
Number of Machine set-ups	30	90

Compute the cost Driver Rates using Activity Based Costing.

10

9. (a) What do you mean by Equivalent Production?

- (b) From the following information, calculate equivalent production units :

	Units	Degree of Completion
Opening WIP	20,000	50%
Units introduced in the process	60,000	—
Complete units transferred to the next process	50,000	100%
Closing WIP	30,000	80%

Assume FIFO basis.

2+8

10. (a) Distinguish between joint-product and by-product with one example of each.

- (b) XYZ Ltd. manufactures three products – P₁, P₂ and P₃. The following information in respect of manufacture and sale of these three products are available :

- (i) Joint costs – ₹ 25,200

- (ii) Post-split-off costs

– P₁ ₹ 16,000

P₂ ₹ 8,000

P₃ ₹ 6,000

- (iii) Sale price

– P₁ ₹ 32,000

P₂ ₹ 25,000

P₃ ₹ 20,000

Estimated profit on sales P₁ – 25%, P₂ – 20% and P₃ – 30%.

Apportion the joint costs using suitable method.

4+6

Please Turn Over

(1704)

Group - C

Answer *any two* questions.

11. A transport company is running 5 buses between two cities 100 km. apart. Seating capacity of each bus is 50 passengers. The following information are available for the month of April, 2024 :

	₹
Wages of drivers, conductors and cleaners	7,200
Salaries of office and supervisory staff	2,000
Motor vehicle tax	1,000
Licence fees	800
Diesel, oil and grease	20,000
Depreciation	9,000
Repairs and Maintenance	3,000
Taxation and Insurance	1,200
Interest on capital	600
Garage Rent	1,400
Tyres and Tubes	5,640

60% of the seating capacity of passengers is actually carried. All the buses ran 30 days during the month and each bus made one round trip per day.

Find out the cost per passenger-kilometre.

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12. AB Ltd. started a contract on 1st June, 2023 for construction of a road for a contract price of ₹ 10,00,000 to be completed by 31st March, 2025. The following particulars are obtained for the year ended on 31st March, 2024 :

	₹
Materials issued from stores	2,25,000
Materials at site (Closing)	12,000
Materials returned	4,000
Materials lost in accident	16,000
Insurance claim accepted	10,000
Wages paid	1,49,000
Outstanding wages on 31.03.2024	3,000
Plant issued to site at W.D.V.	60,000
Hire charges of plant	77,000
Supervision expenses	27,000
Uncertified work-in-progress	35,000

	₹
Share of other expenses	11,000
Value of work certified	5,50,000
Advance from contractee (90% of work certified)	—
Sale of unused materials (cost ₹ 20,000)	16,000
Opening balance of a plant damaged in accident	12,000
Depreciation on plant @ 20% p.a.	

Prepare a Contract Account for the year ended on 31.03.2024.

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13. A product is obtained after passing in through three distinct processes. The following information is available for the operations :

	Process 1	Process 2	Process 3	Total
Materials	₹ 2,600	₹ 2,000	₹ 1,025	₹ 5,625
Direct Wages	₹ 2,250	₹ 3,680	₹ 1,400	₹ 7,330
Production Overheads	—	—	—	₹ 7,330

Production overheads to be distributed as 100% of direct wages. 500 units @ ₹ 4 per unit were introduced in process-1.

The actual output and normal loss of the respective processes are :

	Output units	Normal Loss % on input	Value of scrap per unit
Process- 1	450	10%	₹ 2
Process- 2	340	20%	₹ 4
Process- 3	270	25%	₹ 5

There is no stock or work-in-progress in any process.

Prepare : (a) Three process accounts (b) Abnormal Loss A/c. and (c) Abnormal Gain A/c.

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