Bachelor of Commerce (B.Com.) Part-II (New) Examination

COST & MANAGEMENT ACCOUNTING

Compulsory Paper-IV

Time—Three Hours] [Maximum Marks—100

N.B. :— (1) **ALL** questions are compulsory.

(2) All questions carry equal marks.

1. (A) Define Cost Accounting. Explain the importance of Cost Accounting. 10

(B) Define Management Accounting. Explain the characteristics of Management Accounting. 10

OR

(C) Explain the methods of Cost Accounting. 10

(D) Write advantages and limitations of Management Accounting. 10

2. (A) From the following information prepare Cost Sheet of Vaibhav Manufacturing Co. for the year ended on 31st March 2015 :

Particulars	₹
Opening stock :	
Raw material	24,200

Particulars		₹
	Finished goods (1727 units)	1,72,700
	Work-in-progress	33,000
Closing stock :		
	Raw material	23,100
	Finished goods (2002 units)	2,00,200
	Work-in-progress	55,000
	Purchases	55,000
	Carriage	19,580
	Octroi duty	3,520

Wages 88,000 labour hours @ Rs. 3.00 per labour hour.

Work overhead @ ₹ 2.00 per labour hour.

Administration overhead 25% of work cost.

Selling overhead ₹ 30 per unit sold.

Unit manufactured 7,975 units.

Selling price ₹ 160 per unit. 10

(B) The following information has been collected from the records of Chaitanya Manufacturing Company. The profit as per cost records was ₹ 1,10,700 :

Particulars	Cost Records	Financial Records
Depreciation	₹ 60,000	₹ 65,000
Factory Expenses	₹ 1,25,418	₹ 1,22,000
Office Expenses	₹ 1,02,409	₹ 78,000
Interest Received	—	₹ 39,500
Loss on Sale of Assets	—	₹ 3,200
Advertisement Exp.	₹ 43,000	₹ 46,000
Transfer Fees	—	9,500
Opening stock of raw material	29,870	28,920
Closing stock of raw material	18,950	16,870
Closing stock of finished goods	₹ 1,10,000	₹ 95,000

Prepare a Statement of Reconciliation and ascertain Profit as per financial records. 10

OR

(C) Following are the details of the production of 1,500 units taken from the cost books of Divyanshu Company Ltd. for the year ended 31st March 2015 :

Opening stock :

Raw material	₹	6,750
Finished goods	₹	56,250

Closing stock :

Raw material	₹ 5,250
Finished goods	₹ 90,000

Raw material purchase ₹ 2,98,500

Direct wages ₹ 3,75,000

Factory overheads 80% of wages

Office overheads 50% of factory overheads

Sales overheads ₹ 50 per unit sold.

Trading and Profit and Loss A/c of the company for the same period was as follows :

	Rs.		Rs.
To Opening Stock :		By Sales	13,09,500
Material	6,750	**By Closing Stock :**	
Finished goods	48,750	Material	5,250
To Purchases	2,98,500	Finished goods	78,000
To Direct Wages	3,75,000		
To Factory Exp.	3,15,000		
To Gross profit c/d	3,48,700		
	13,92,750		13,92,750

	Rs.		Rs.
To Office Expenses	1,48,500	By Gross Profit	
To Selling Expenses	75,000	b/d	3,48,700
To Net Profit	1,25,250		
	3,48,700		3,48,700

Prepare a Statement of Cost showing per unit cost and profit. Also show reconciliation of the profit as per Cost Books and Financial Books. 20

3. (A) A product passes through two different processes, namely process 'X' and process 'Y'. Following information has been obtained :

Particulars	**Process 'X'**	**Process 'Y'**
Material purchased	1000 kg	105 kg
	₹	₹
Rate of materials per kg	200	200
Wages	50,000	20,000
Direct Expenses	30,000	15,300
Indirect Expenses	75% of Wages	80% of Wages
Sale of Empty Bags (Rs.)	1,000	1,300

Particulars	Process 'X'	Process 'Y'
Sale of residues (Rs.)	1,250	1,250
By Product	100 kg	150 kg
Sales of by product (per kg)	₹ 220	₹ 150
Production	780 kg	700 kg

Prepare Process Cost Accounts. 10

(B) M/s Bhagat & Co. Pvt. Ltd. with paid up capital of ₹ 1,00,00,000 undertook a contract to construct a bungalow of Mr. Rane. The following details in respect of this contract were available as follows :

(1) Work started on 1st April 2014

(2) Contract price ₹ 1,20,00,000

(3) Cash received from Mr. Rane upto 31st March, 2015 (being 90% of the work certified) ₹ 36,00,000

(4) Work completed but not certified ₹ 2,00,000

(5) Materials at site as on 31st March, 2015 ₹ 60,000

(6) Total plant and machinery (60% of which sent at site) ₹ 50,00,000

(7) Machinery Returned to stores (at cost) ₹ 4,00,000

(8) Outstanding wages upto 31st March, 2015 ₹ 10,000

(9) Cash at Bank ₹ 2,66,000

(10) Land and Buildings of a company ₹ 46,00,000

(11) Vehicles at site (Truck, Tractor etc) ₹ 1,20,000

(12) Estimated (notional) profit from contract upto 31st March, 2015 ₹ 4,86,000

Depreciation is to be charged on plant and machinery at 5% per annum.

You are required to calculate the profit to be transferred to Profit and Loss A/c and Work-in-Progress A/c (as Reserve) and Balance Sheet as on 31st March, 2015. 10

OR

(C) A product passes through three distinct processes 'A', 'B' and 'C'. The normal loss in different processes is 3%, 4% and 5% respectively. The normal loss (scrap) of process 'A' was sold @ ₹ 5.00 per unit, of process 'B' @ ₹ 7.50 per unit and of process 'C' @ ₹ 10.00 per unit.

The details of expenses are as follows :

Particulars	Process 'A' ₹	Process 'B' ₹	Process 'C' ₹
Materials	12,000	18,000	9,000
Direct Labour	45,000	75,000	60,000
Other Expenses	14,000	12,500	14,000
Actual output (units)	9,050	9,000	8,200

10,000 units @ ₹ 20 per unit were introduced in process 'A'. Assuming that there was no opening and closing stocks in various processes, prepare Processes A, B and C accounts. Amount to be calculated nearest to Rupee. 20

4. (A) The following information is obtained from 'Gunjan Steel Co. Ltd.' for the year 2015 :

	Particulars	₹
	Sales	1,20,000
(–)	Variable Cost	96,000
	Gross Profit	24,000
(–)	Fixed Cost	16,000
	Net Profit	8,000

Find out :

(1) PVR

(2) BEP

(3) Profit from the sales of ₹ 3,30,000

(4) Required sales to earn a profit of ₹ 26,000

(5) Margin of safety on profit of ₹ 30,000.

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(B) From the following information you are required to calculate the Inventory Turnover Ratio and Operating Ratio :

	Amt. (₹)
Opening Stock	58,000
Purchases	4,84,000
Sales	6,40,000
Factory Expenses	24,000
Office Expenses	32,000
Selling and Distribution Expenses	72,000

Gross Profit Ratio is 25% on sales. 10

OR

(C) The following is the Balance Sheet of Rohit Co. Ltd. as on 31st March 2015 :

Balance Sheet

Liabilities	Amount	Assets	Amount
Share Capital	2,00,000	Land and Buildings	1,40,000
Profit and Loss A/c	30,000		
General Reserve	40,000	Plant and Machinery	3,50,000
12% Debenture	4,20,000		
Sundry Creditors	1,00,000	Stocks	2,00,000
Bills Payable	50,000	Sundry Debtors	1,00,000
		Bills Receivable	10,000
		Cash at Bank	40,000
	8,40,000		8,40,000

Other information :

(i) Total Sales ₹ 6,12,500

(ii) Net Credit Sales ₹ 3,30,000

(iii) Net Credit Purchase ₹ 3,00,000

(iv) Net Profit ₹ 60,000

(v) No. of equity shares 2,000 per share ₹ 100

Calculate :

(i) Current Ratio
(ii) Liquid Ratio
(iii) Debt. to Equity Ratio
(iv) Debtors Turnover Ratio
(v) Creditors Turnover Ratio
(vi) Fixed Assets Turnover Ratio
(vii) Earning Per Share. 20

5. (A) Prepare statement of changes in Working Capital :

Particulars	2014 ₹	2015 ₹
Sundry Creditors	39,500	41,135
Bills Payable	33,780	11,525
Bank Overdraft	59,510	—
Reserves	50,000	50,000
Provision for Taxation	40,000	50,000
Profit and Loss Account	39,690	41,220
Share Capital	2,00,000	2,60,000
	4,62,480	4,53,880
	2014 ₹	**2015** ₹
Cash at Bank	2,500	2,700
Sundry Debtors	85,175	72,625
Sundry Advances	2,315	735
Stock	1,11,040	97,370
Land and Building	1,48,500	1,44,250
Plant & Machinery	1,12,950	1,36,200
	4,62,480	4,53,880

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(B) Prepare Cash Budget for six months commencing from next year :

Month	Total Sales	Material	Wages	Production Overheads	Selling Overheads
January	20,000	20,000	4,000	3,200	800
February	22,000	14,000	4,400	3,300	900
March	24,000	14,000	4,600	3,300	800
April	26,000	12,000	4,600	3,400	900
May	28,000	12,000	4,800	3,500	900
June	30,000	16,000	4,800	3,600	1,000

Additional Information :

(1) Cash Balance on 1st January was ₹ 10,000.

(2) A New Machine to be installed at ₹ 30,000 on credit to be paid in 2 equal instalments payable in March and April.

(3) Sales commission 5% on total sales payable in the next month.

(4) ₹ 10,000 being 2nd call on shares, receivable in March along with premium of ₹ 2,000.

(5) Supplier's period 2 months, customers' period one month, overheads one month.

(6) Wages 1/2 month, cash sales 50% of total sales. 10

OR

(C) Balance Sheet of M/s Lal and Company is as follows :

Balance Sheet

Liabilities	2014	2015
	₹	₹
Share Capital	36,00,000	40,00,000
Surplus	1,00,000	1,29,000
Creditors	3,19,000	3,65,000
Declared Dividend	—	2,00,000
Long term Loan	—	5,35,000
	40,19,000	52,29,000

Assets	2014	2015
	₹	₹
Land and Building	5,40,000	10,20,000
Machinery	28,04,000	35,44,000
Furniture	2,00,000	2,10,000
Investments	20,000	15,000
Cash	1,10,000	25,000
Debtors	1,00,000	1,60,000
Stock	2,35,000	2,55,000
Preliminary Expenses	10,000	—
	40,19,000	52,29,000

Adjustment :

(1) A machine costing ₹ 60,000 was sold for ₹ 45,000.

(2) New Buildings has been purchased ₹ 5,00,000.

(3) Investments costing ₹ 5,000 was sold for ₹ 5,500.

(4) Income tax paid during the year ₹ 60,000.

Prepare statement of changes in Working Capital and Sources and Application of fund. 20

(मराठी माध्यम)

सूचना :— (1) सर्व प्रश्न अनिवार्य आहेत.

(2) सर्व प्रश्नांना समान गुण आहेत.

1. (अ) परिव्यय लेखांकनाची व्याख्या द्या. परिव्यय लेखांकनाचे महत्व विशद करा. 10

(ब) प्रबंधकीय लेखांकन म्हणजे काय ? प्रबंधकीय लेखांकनाचे वैशिष्टचे विशद करा. 10

किंवा

(क) परिव्यय लेखांकनाच्या विविध पद्धती स्पष्ट करा. 10

(ड) प्रबंधकीय लेखांकनाचे फायदे व मर्यादा स्पष्ट करा. 10

प्रश्न क्रमांक 2 ते 5 इंग्रजी माध्यमानुसार.

(हिन्दी माध्यम)

सूचना :— (1) सभी प्रश्न अनिवार्य हैं।

(2) सभी प्रश्नों के अंक समान हैं।

1. (अ) लागत लेखांकन का अर्थ बताइये तथा लागत लेखांकन के महत्व विशद कीजिये। 10

(ब) प्रबंधकीय लेखांकन का अर्थ बताइये तथा प्रबंधकीय लेखांकन की विशेषताएं स्पष्ट कीजिये। 10

अथवा

(क) लागत लेखांकन की विभिन्न पद्धतियां स्पष्ट कीजिये। 10

(ड) प्रबंधकीय लेखांकन के महत्व एवं मर्यादा स्पष्ट कीजिये। 10

प्रश्न क्रमांक 2 से 5 अंग्रेजी माध्यम के अनुसार।