SC

SARDAR PATEL UNIVERSITY
BCom (IV Semester) Examination
2016
Saturday, 16th April
10.30 am - 12.30 pm
UB04ECOM33 - Advanced Accounting & Auditing VII
(Advanced Cost Accounting)

Total Marks : 60

Note: Figures to the right indicate marks.

Q.1 Prepare Contract Account from the following Information. (15)

	Rs.
Material (direct)	51300
Material (from stores)	10500
Wages	27300
Direct Exp.	8700
Establishment charge	3000
Plant	32200
Sub contract costs	3000
Sale of Scrap	2000

Additional Information:

1) Accruals at the end of the year were wages Rs. 2700 and direct expenses Rs. 2100.
2) The cost of work uncertified included material Rs. 3200, wages Rs. 1600, direct exp. Rs. 1000.
3) The plant worth Rs. 5000 and material worth Rs. 2000 were destroyed by fire.
4) Plant worth Rs. 7000 was sold for Rs. 6000 and materials costing Rs. 3000 were sold for Rs. 4000.
5) Depreciation till the end of the year on plant was Rs. 2200.
6) Materials at site were Rs. 5000.
7) Cash received from the contractee was Rs. 96000 being 80% of work certified.
8) Contract price was Rs. 160000.
9) Transfer 3/4 profit on cash basis to Profit & Loss a/c

OR

Q.1 Write short notes: (15)

a) Certified work
b) Escalation clause
c) Uncertified work

Q.2 "SHIVAM" Transport Co., owns a fleet of 4 Metador which are used to carry students of Anand College from Station to College and back a total distance of 16 km. Each Metador makes 2 (two) round trips a day and carries 20 passengers in a single trip. All the Metador works 25 days in a month. Following are the expenses from which you are required to find out cost per passenger km. (15)

	Rs.
Salary of 4 drivers per month	2000
Salary of 4 cleaners per month	1600
Diesel charge per litre	3.50
Road tax per day per passenger	2.00
License Fees per Metador per year	480
Garage rent (Total) per annum	12000

Insurance charge (yearly) 5% on cost of vehicles.
Maintenance 50% of depreciation charge.

Each Metador costs Rs. 90000 and has scrap value of Rs. 9000 at the end of its life of 9 years. Each Metador runs 10 km in one litre diesel.

College contributes 50% of the freight to be charges from student.

If 1/4 of the cost is charged as profit by SHIVAM Transport Co., what will the student pay per month to the college as Transport charges ?

OR

Q.2 A Transport company has following Fleet of vehicles. (15)

No. of vehicles	**Specification**
25	5 tone truck
25	4 tone truck
60	3 tone truck
40	2 tone truck

On an average each Truck makes six trips a day and each trip covers an average distance of 5 kilometers. Each Truck carries weights which is only 90% capacity. Taking an annual average 10% of the trucks are laid for repairs everyday.

The conservancy work is carried on daily.

The monthly charges incurred an as follow:

	Rs.
Salary of the suprintendent	1000
Salaries of 4 transport foreman-each	500
Wages of 150 drivers each	200
Wages of 300 labourers each	100
Consumable stores	10000
Petrol (cost of fuel)	180000
Oil Grease	40000
Cost of Tyres tubes	18000
Rent of Garage	12000
Gas Electric charge	5000
Miscellaneous exp.	10565
Overhead charges	15000

Assuming that a month consists of 30 days calculate the cost per tone kilometre.

Q.3 A product passes through three different processess to completion. In 2015 the cost of production was as given below: (15)

	Process I (Rs.)	Process II (Rs.)	Process III (Rs.)
Direct material	2000	3020	3462
Direct wages	3500	4226	5000
Production overhead	1500	2000	2500

1000 units of materials were introduced in process-I at Rs. 5 each

	Process I	Process II	Process III
Normal wastage (of the unit introduced)	10%	5%	10%
Sale price of wastage (per unit)	Rs. 3	Rs. 5	Rs. 6
Actual production (in unit)	920	870	800

Prepare the necessary process a/c and "Abnormal Loss" and "Abnormal Gain" account.

OR

Q.3 A product passes through different process A, B and C. and thereafter it is transferred to finished stock. The information is as under. (15)

Particulars	Process A	Process B	Process C
Units introduced (per unit Rs. 15)	?	-	-
Actual production (No. of unit)	11500	?	?
Normal wastage (% of input)	2.5%	8%	10%
Sale value of wastage (per 25 unit)	Rs. 20	Rs. 50	Rs. 75
Abnormal wastage (No. of units cost per unit Rs. 25)	200	-	-
Abnormal Gain (No. of units cost per unit Rs. 40)	-	-	200
Normal cost of normal output (per unit in Rs.)	-	35	-

(1) Factory overheads to be distributed as 100% of direct wages in all three process.
(2) The abnormal wastage was 2/3 of the normal wastage in process 'A'

Prepare processes a/c and Abnormal Loss and Abnormal Gain a/c

Q.4 Explain the meaning of Uniform Costing and also explain its Advantages and Limitations. (15)

OR

Q.4 What is Marginal Costing ? Explain its Advantages and Limitations. (15)

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