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**SARDAR PATEL UNIVERSITY**  
**B Com (Hon.) (IV - Semester) Examination**  
**Friday, 20<sup>th</sup> April, 2018**  
**10.00 am - 12.00 pm**  
**UB04ECOH02 - Advanced Cost Accounting**

**Total Marks: 60****Note:** Figures to the right indicate marks.

Q.1

(A) Write short note : (10)

(1) Certified Work and Uncertified Work.

(2) Escalation Clause

(B) Find out the cost of uncertified work from the following informations. (05)

Contract price Rs. 1200000, which is commenced on 1-1-16, 3/5th work has been done till 31-12-16. While total cost of work is Rs. 540000, Cash received Rs. 480000, which is 75% of work certified.

**OR**

Q.1 The following information has been obtained from the book of Dutt (15)

Construction company for one contract.

Material purchased Rs. 449900

Material sent on site from the stores Rs. 124100

Wages paid Rs. 231800

Direct expenses Rs. 121000

Indirect expenses Rs. 88200

Plant sent on site Rs. 420000

Sale of scrap from the site Rs. 24080

**Additional Informations :**

- (1) Unpaid expenses on 31-12-2016 were wages Rs. 17500 and direct expenses Rs. 21000.
- (2) The above expenses includes wages Rs. 20300 and direct expenses Rs. 11200 incurred after the receipt of certificate for Work done.
- (3) Materials of Rs. 31500 was used after receipt of Certificate.
- (4) Plant costing Rs. 31500 and materials costing Rs. 45460 were totally destroyed by fire.
- (5) Plant costing Rs. 59500 was sold for Rs. 53620 and materials costing Rs. 66920 were sold for Rs. 91000.
- (6) Depreciation on plant till 31-12-2016 is Rs. 70000.
- (7) Materials at site on 31-12-2016 Rs. 56000.
- (8) Cheque for Rs. 980000 was received from contractee being the value of 80% of work certified.
- (9) Contract price is Rs. 1750000.

2/3 of the profit on cash basis is to be taken to the Profit & Loss Account. Prepare Contract Account.

Q.2

- (A) State atleast five industries to which operating costing is applicable. (05)  
 (B) Rang Transport Co. supplies the following details in respect of a Truck (10)  
 of 5 ton capacity.

Cost of truck	Rs. 100000
Estimated Life	10 years
Scrap value	10%
Diesel, Oil, Greases etc.	Rs. 20 per trip each way
Repairs & Maintenance	Rs. 500 per month
Driver's wages	Rs. 600 per month
Cleaner's wages	Rs. 400 per month
Insurance	Rs. 4800 per year
Tax	Rs. 2400 per year
General Supervision charges (Relating to this truck)	Rs. 4800 per year

This truck carries goods to and from the city, covering a distance of 80 kilometers each way. On outward trip freight is available to the extent of full capacity and on return trip 50% of capacity.

Daily only one round trip is possible.

The truck runs on an average 25 days in a month. Prepare operating cost sheet and find out cost per tonne kilometre.

OR

- Q.2 Alakh Transport Co. has 4 mini bus which are used to carry students of Anand College from Petlad station to college and back a total distance of 32 km. Each mini bus makes 2 round trips a day and carries 20 passengers in a single trip. All the mini bus works 25 days in a month. (15)

Following are the expenses from which you are required to find out cost per passenger km.

Salary of 4 Drivers per month	20000 Rs.
Salary of 4 Cleaners per month	16000 Rs.
Diesel charges per litre	60 Rs.
Road tax per day per passenger	2 Rs.
Licence fees per mini bus per year	4800 Rs.
Garage Rent (total) per annum	120000 Rs.
Insurance charges (yearly) 5% on cost of vehicle.	
Maintenance 50% of depreciation charges	

Each mini bus cost Rs. 180000 and has scrap value of Rs. 180000 at the end of its life of 9 years. Each mini bus runs 10 km in one litre diesel.

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

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

Q.3

- (A) Write short note: (10)  
 (1) Joint Product and By Product  
 (2) Normal Wastage and Abnormal Wastage

- (B) From the following information prepare Process-A Account. (05)

Units introduced (per unit Rs. 20)	?
Actual production (No. of Units)	27900
Normal Wastage (% of inputs)	4%
Sale value of wastage (per unit)	0.50 Rs.
Abnormal wastage (No. of units)	900
(Cost per unit Rs. 40)	
Abnormal Gain	-

Factory overheads to be distributed as 100% of direct wages in Process-A.

The Abnormal wastage was 75% of the Normal wastage in Process-A.

OR

- Q.3 Shivam Co. produces a colour which passes through three Process A, B and C. The Company has given the following particulars. (15)

Particulars	Process A	Process B	Process C
Materials consumed (units)	6000	940	2280
Rate per unit (Rs.)	20	20	15
Direct wages (Rs.)	152000	44000	130000
Direct expenses (Rs.)	1600	2040	3060
Overhead expenses (% of Direct wages)	150%	100%	120%
Production transferred to next process	60%	80%	-
Production transferred to Godown	40%	20%	100%
Loss in the process	2.5%	5%	3%
Wastage in process	12.5%	10%	7%
Selling price of wastage per unit (Rs.)	16	12	20

From the above information prepare process accounts and find out cost per unit per process. Show necessary calculations.

- Q.4 What is the difference between Absorption Costing and Marginal Costing ? Describe. (15)

OR

- Q.4 XYZ Ltd. supplies you the following data for the year ending 31st December 2016. (15)

Production - 2200 units

Sales - 2000 units

There was no opening stock.

Variable manufacturing cost per unit Rs. 7

Fixed manufacturing overhead (total) Rs. 4400

Variable selling and administration overhead per unit Rs. 0.50

Fixed selling and administration overhead Rs. 800

Selling price per unit Rs. 15

- Prepare:** (1) Income statement under Absorption Costing.  
(2) Income statement under Marginal (Variable) Costing.

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