S.NO: 22N1- PC **Course Code: PGCK**

A.D.M.COLLEGE FOR WOMEN, NAGAPATTINAM

(AUTONOMOUS)

(M.Com) Degree Examination

III Semester – **November** – 2022

CC XI – ADVANCED COST ACCOUNTING

Time: 3 hours **Maximum Marks: 75**

Section –A **10X2=20**

Answer **ALL** the Questions

1. List out any two deficiencies of job order costing.
2. Define EBQ.
3. Write any two types of processes.
4. What are the reasons for abnormal loss?
5. Define operation costing.
6. What do you meant by running costs?
7. Define Marginal cost.
8. List out any two features of marginal costing.
9. Define Material Mixture Variance.
10. What do you meant by labour efficiency variance?

Section –B 5X5=25

Answer **ALL** the Questions

11. a) Compute the Economic Batch Quantity for a company using batch costing with the following information:

Annual demand for the component	=	Rs. 24,000
Set-up Cost per Batch	=	Rs. 120
Carrying cost per unit of production	=	Re. 0.36

(Or)

b) Print well Ltd., took up two jobs during the first week of April 2021. The following are the details available:

Particulars	Job 101 Rs.	Job 102 Rs.
Materials Supplied	2,100	1,400
Wages paid	900	600
Materials transfer from 102 to 101	100	100
Materials returned to stores	-	50

Find out the cost of each job.

12. a) A product passes through three distinct processes to completion. These processes are numbered respectively I, II and III. During the week ended 15th January 2001. 500 units are produced. The following information is obtained :

Particulars	I (Rs)	II (Rs)	III (Rs)
Direct materials	3,500	1,600	1,500
Direct Labour	2,500	2,000	2,500

The overhead expenses for the period were Rs. 1,400 apportioned to the processes on the basis of wages. No work in progress or process stocks existed at the beginning or at the end of the week, Prepare process account.

(Or)

b) In process A 100 units of raw materials were introduced at a cost of Rs. 1,000. The other expenditure incurred by the process was Rs. 602. Of the units introduced 10% are normally lost in the course of manufacture and they possess a scrap value of Rs. 3 each. The output of Process A was only 75 units. Prepare process "A" account and abnormal loss account.

13. a) From the following data pertaining to the year 2011-12. Prepare a cost sheet following the cost of electricity generated per unit of Kwh by Chambal Thermal Power Station.

Particulars	Amount
Total Units Generated	20,00,000 Kwh
Operating labour	50,000
Repairs & Maintenance	50,000
Lubricants, Spares & Stores	40,000
Plant Supervision	30,000
Administrative overheads	20,000

Coal consumed per Kwh for the year is 2.5 kg @ Re. 0.02 per kg.
Depreciation charge @ 5% on capital cost of Rs. 2,00,000.

(Or)

b) A transport service company is running four busses between two towns which are 50 kilo meters apart. Seating capacity of each bus is 40 passengers. Actual passengers carried were 75percent of the seating capacity. All the four busses ran on all the days of the month April 2021. Each bus made one round trip per day. Calculate total kilo meters and total passenger kilo meters for the month.

14. a) From the following particulars calculate; (i) Contribution (ii) Profit Volume Ratio (iii) Break even point in units and in rupees.

Particulars	Amount
Fixed expenses	1,50,000
Variable Cost Per Unit	10
Selling Price Per Unit	15

(Or)

b) From the following data, find out; (i) Sales (ii) Newbreak-even sales, if the selling price is reduced by 10%.

Particulars	Amount
Fixed expenses	4,000
Break Even Sales	20,000
Profit	1,000
Selling Price Per Unit	20

15. a) Explain the advantages of standard costing.

(Or)

b) Briefly explain the significance of standard costing as a technique of cost control.

Section –C **3 X 10 = 30**

Answer any **THREE** Questions

16. A company undertook a contract for construction of a large building complex. The construction work commenced on 1st April 2010 and the following data are available for the year ended 31st march 2011.

Particulars	Rs. '000	Particulars	Rs. '000
Contract Price	35,000	Plant hire charges	1,750
Work Certified	20,000	Wages related Costs	500
Progress payment received	15,000	Site office Costs	678
Materials issued to site	7,500	H.O.Expenses	375
Planning & Estimation Cost	1,000	Apportioned	902
Direct wages paid	4,000	Site Expenses Incurred	149
Materials returned from site	250	Work Not Certified	

The contractor own a plant which originally cost Rs. 20 lacs has been continuously in use in this contract through out the year. The residual value of the plant after 5 years of life expected to be Rs. 5 lacs. Straight line

method of depreciation is in use. As on 31st March 2011 the direct wages due and payable amounted to be Rs. 2,70,000 and the materials at site

were estimated at Rs. 2,00,000. You are required to:

i. Prepare the contract account for the year ended 31st March 2011.
ii. Show the calculation of Profit and Loss of the year.
iii. Show the relevant balance sheet entries.

17. A product passes through three processes for completion. For the month ending 31st March 2021. The following are the details:

Particulars	Total	Process		
		X (Rs)	Y (Rs)	Z (Rs)
Materials	84,820	20,000	30,200	34,620
Labour	1,20,000	30,000	40,000	50,000
Direct Expenses	7,260	5,000	2,260	Nil
Production overhead	5,000	-	-	-
Normal Loss	-	10%	5%	10%
Sale of scrap per unit	-	3	5	6
Production in units	-	920	870	800

1,000 units at Rs. 50 per unit were issued to process X production is to be allocated on the basis of direct labour. Prepare process cost account, Abnormal gain account and Abnormal Loss Account.

18. Mr. Sunder owns a fleets of taxis and the following information is available from the records maintained by him:

Particulars	Amount
Total Number of Taxis	10
Cost of Each Taxi	54,600
Salary of managers	700 p.m
Salary of accountants	500 p.m
Salary of cleaners	200 p.m
Salary of mechanics	400 p.m
Garage rent	600 p.m
Insurance Premium	5% p.a
Annual tax	900 per taxi
Driver's salary	350 p.m. per taxi
Annual repairs	1,000 per taxi

Total life of a taxi is about 2,00,000 kms. a taxi runs. in all, 3,000 kms. In a month and 30% of this distance has to be run without any passenger. Petrol consumption is one litre for every 10 kms @ Rs. 4.41 per litre. Oil and other sundries are Rs. 10.50 per 100 kms. Calculate the cost of running a taxi per kilo meter.

19. A company is considering expansion. Fixed costs amount to Rs. 4,20,000 and are expected to increase by Rs. 1,25,000 when plant expansion is completed. The present plant capacity in 80,000 units a year. Capacity will increase by 50% with the expansion. Variable costs, currently Rs. 6.80 per unit, are expected to go down by Re. 0.40 per unit with the expansion. The current selling price is Rs.16 per unit and is expected to remain the same under each alternative. What are the break-even points under either alternative? Which alternative is better and Why?

20. Compute material Cost, price and usage variance.

Material	**Standard**		**Actual**	
	Qty	**Rate (Rs)**	**Qty**	**Rate (Rs)**
A	600	15	640	17.50
B	800	20	950	18
C	1000	25	870	27.50