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Register Number:

Name of the Candidate:

M.Com. DEGREE EXAMINATION, May 2015**(SECOND YEAR)****(GROUP – A)****250: ADVANCED COST ACCOUNTING****(New Regulations)
[Common with M.Com. A & F (NR)]**

Time: Three hours

Maximum: 100 marks

SECTION - A**Answer any FIVE questions****(5 × 8 = 40)**

1. Discuss the characteristics which an ideal costing system should possess.
2. “Cost Audit is a unique feature in India” – Discuss.
3. The following was the expenditure on a contract for ₹6,00,000 commenced in February 2012.

	₹
Materials	1,00,000
Labour	1,65,000
Plant	15,000
Business charges	8,500

Cash received on account to 31st December 2013 amounted to ₹2,40,000 being 80% of work certified; the value of materials in hand at 31.12.2013 was ₹10,000. Prepare the contract account for 2013 showing the profit to be credited to the year's profit and loss account. Plant is to be depreciated at 10%

4. From the following information find the profit made by even product, apportioning the joint costs on a sales value basis.

	ZDC(₹)	ZMBT(₹)
Sales	7,60,000	8,40,000
Selling costs	1,00,000	4,00,000
Joint costs		
Materials ₹6,24,000		
Process costs ₹2,76,000		

5. From the following information, prepare process accounts.

	Process – A (₹)	Process – B (₹)
Materials	30,000	3,000
Labour	10,000	12,000
Overheads	7,000	8,600
Inputs (units)	20,000	17,500
Normal loss	10%	4%
Scrap value of waste per unit	1	2

There was no opening or closing work – in – progress. Finished output from process B was 17000 units.

6. Product A yields by – products B and C. The joint expenses of manufacture are : Materials- ₹10,000; Labour - ₹8,000; Overheads- ₹9,000 the separate expenses are as follows:

	A (₹)	B (₹)	C (₹)
Materials	2,000	1,600	1,800
Labour	2,400	1,400	1,700
Overheads	2,600	1,000	1,500
Total	7,000	4,000	5,000
Sales	42,000	20,000	18,000
Profit on sales	50%	50%	33.33%

Distribute joint expenses on an appropriate basis and prepare accounts of A,B and C

7. A factory is producing chemical X with a by product Y.

	Joint Expenses (₹)	Separate expenses (₹)	
		X	Y
Materials	19,200	7,360	780
Labour	11,700	7,680	2,642
Overheads	3,450	1,500	544

The output of the month was 142 tons of X and 49 tons of Y and selling price of Y - ₹280 per ton. Profit on Y is 50% of selling price. Prepare an account showing the cost of per ton.

8. The profit as per cost accounts was ₹1,50,300. Calculate the amount of profit as per profit and loss account on the basis of the following information:
1. Works overheads expenses were over-recovered in cost Accounts by ₹8,000.
 2. Administrative expenses were over-recovered in financial account by ₹3,000.

3. Depreciation charges were over-recorded in cost accounts by ₹1,900.
4. Interest on investments amounted to ₹940.
5. Bad debts written off ₹650.

SECTION - B**Answer any THREE questions****(3 × 20 = 60)**

9. What are the important aspects of cost Audit? How is it useful to the shareholders of the company?
10. Mini and Shrini were engaged on I – contract during the year. The contract price was ₹4,00,000. The T.B extracted from their books as on 31 December 2007 stood as follows.

	Dr. (₹)	Cr (₹)
Share Capital		80,000
S creditors		8,000
Land and Building	34,000	
Bank	9,000	
Contract Account Material	75,000	
Plants	20,000	
Wages	1,05,000	
Expenses	5,000	
Cash received being 80% of work certified.		1,60,000
	2,48,000	2,48,000

Of the plant & material. Charged to the contract plan costing ₹3,000 & material costing ₹2,400 was destroyed by an accident. On 31.12.2007 plant which cost ₹4,000 was returned to the store. The value of material on site was ₹3,000 & the cost of work done but not certified was ₹2,000. Charge 10% depreciation on plant. Prepare contract A/c balance sheet as on 31.12.2007.

11. Tamilnadu chemicals company ltd., produced here chemicals during the month of Septemeber,2004 by three consecutive processes in each process, 2% of the total weight put in is lost and 10% is scrap which form processes A and B realizes ₹100 a tonne and form process C ₹20 a tonne. The products of here processes are dealt with as follows.

				Processes		
				A	B	C
Passes to next process				75%	50%	--
Sent to warehouse for sale				25%	50%	100%
	Processes					
	A		B		C	
	₹	Tonne	₹	Tonne	₹	Tonne
Raw materials	1,20,000	1,000	28,000	140	1,07,840	1,348
Manufacturing expenses wages	20,500	--	18,520	--	15,000	--
General expenses	1,40,300	--	7,240	--	3,100	--

Prepare process accounts showing the cost per tonne of each product.

12. Form the following details, prepare statement of equivalent production, statement of cost statement of evaluation of process Account by following FIFO method.

Opening work – in – progress --(2,000 units)

Material (100% Complete) -- ₹7,500

Labour (60% Complete) -- ₹3,000

Overhead (60% complete) -- ₹1,500

Units introduced into the process -- 8500

There are 2000 units in process and the stage if completion is estimated to be:

Material 100%, Labour 50%, Overheads 50%

8000 units are transferred to next process. The process costs for the period are Material ₹1,00,000, Labour ₹78,000, Overheads 39,000.

13. From the following data, prepare an operating cost statement showing the cost of electricity. Generated per Kwh.

Total units generated -- 10,00,000 kwh

Operating wages -- ₹50,000

Repairs and Maintance -- ₹50,000

Lubricants, stores and spares -- ₹40,000

Plant Supervision -- ₹30,000

Administration Overheads -- ₹20,000

coal consumed per Kwh. For the year 2.5 Kg @ Re.0.02 per kg. Charge depreciation at 10% on Capital cost of ₹2,00,000.

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