

S.D.E.

M. COM. PART-I : SUMMER - 2018

SUBJECT : ADVANCED COST ACCOUNTING – I

Day : Monday
Date : 16/04/2018

S-2018-4198

Time : 3.00 P.M. TO 6.00 P.M.
Max. Marks : 80

N. B. :

- 1) All questions are **COMPULSORY**.
- 2) All questions carry **EQUAL** marks.
- 3) Answers to both the sections should be written in the **SAME** answer book.
- 4) Use of calculator is **ALLOWED**.

SECTION - I

Q. 1 Attempt ANY TWO of the following: (16)

- a) What do you mean by Apportionment of Overhead?
- b) Define the objectives of material control system.
- c) Distinguish between Direct Labour and Indirect Labour.
- d) State the different levels of stores.

Q. 2 Swagat Builders, Raipur took a contract to build a society hall on 1st April, 2015. The contract price was agreed at Rs. 8,00,000/-. They have incurred following expenditure during the year 2015-16. (16)

| Particulars | Rs. |
|------------------|--------|
| Direct Materials | 50,000 |
| Direct Labour | 30,000 |
| Direct Expenses | 20,000 |
| Plant | 80,000 |

From the following additional information prepare a Contract Account for the year ended 31st March, 2016. Also show the amount in work in progress which will be shown in the Balance Sheet of the Contractor as on that date:

| Particulars | Rs. |
|-----------------------------------|----------|
| Value of plant as on 31-03-2016 | 60,000 |
| Stock on material on hand at site | 10,000 |
| Materials returned to store house | 2,000 |
| Value of work certified | 1,50,000 |
| Cost of work uncertified | 8,000 |
| Cash received | 1,40,000 |

P. T. O.

OR

The finished product of a factory has to pass through three processes 1, 2 and 3. During August 2015 data relating to this product was as shown below: (16)

| Particulars | | Process 1 | Process 2 | Process 3 | Total |
|---|-------|-----------|-----------|-----------|--------|
| Basic Raw Material (10,000 units) | Rs. | 6,000 | - | - | 6,000 |
| Direct Materials added | Rs. | 8,500 | 9,500 | 5,500 | 23,500 |
| Direct Wages | Rs. | 4,000 | 6,000 | 12,000 | 22,000 |
| Direct Expenses | Rs. | 1,200 | 930 | 1,340 | 3,470 |
| Production Overheads (absorbed as a % of direct wages) | Rs. | - | - | - | 16,500 |
| Output | Units | 9,200 | 8,700 | 7,900 | - |
| Normal Loss | % | 10 | 5 | 10 | - |
| Scrap Value of Normal Loss per unit | Re. | 0.20 | 0.50 | 1.00 | - |

There was no stock at the beginning or at the end of any process. You are required to prepare:

- i) Process 1 Account
- ii) Process 2 Account,
- iii) Process 3 Account
- iv) Abnormal Loss Account and
- v) Abnormal Gain Account.

SECTION - II

Q. 3 From the following information relating to 26th May, 2015 in a factory working for 8 hours calculate for each of these three workers: (16)

- i) Total earnings for the day
 - ii) Effective Rate of earning per hour under:
 - a) Straight Piece Rate Method
 - b) Halsey Premium Method, 50 % sharing
 - c) Rowan Premium Method
- | | |
|-------------------------------------|-----------|
| Hourly Wage Rate | Rs. 4/- |
| Time allowed for 10 units | 1 hour |
| Actual output for a day of 8 hours: | |
| Mr. Busy | 80 Units |
| Mr. Crazy | 100 Units |
| Mr. Lazy | 120 Units |

OR

Attempt the following:

(16)

- a) Explain general principles of treatment of depreciation.
- b) Explain the methods of reconciliation of cost and financial accounts.

- Q. 4** Attempt the following: **(16)**
- a) Explain the technical measures to improve productivity.
 - b) Distinguish between value chain analysis and conventional management accounting.

- Q. 5** Write short notes on **ANY FOUR** of the following: **(16)**
- a) Spoilage
 - b) Management Productivity
 - c) Book Keeping
 - d) Human Aspect of Productivity
 - e) Waste
 - f) Job Costing

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