

**T.Y.B.COM. SEM – VI (2014 COURSE) : WINTER - 2017**  
**SUBJECT: COST AND MANAGEMENT ACCOUNTING – V**

Day: Wednesday  
 Date: 01/11/2017

Time: 12.00 NOON TO 02.00 PM  
 Max Marks: 40

**W-2017-0308**

**N.B.**

- 1) All questions are **COMPULSORY**.
- 2) Figures to the **RIGHT** indicate full marks.
- 3) Use of **CALCULATOR** is allowed.

- Q.1** Sweethome Builders, Pune took a Contract No. 51 for construction of a school building on 1-4-2016. The Contract price is fixed at Rs. 15,00,000 subject to a retention of 20% of work certified. The following are the details of expenses made by the contractor on this contract during the year 2016 -17. **(10)**

Particulars	Rs.
Productive labour charges	4,00,000
Unproductive labour charges	5,000
Outstanding Wages	7,800
Materials issued from store-room	4,20,000
Materials purchased directly	81,200
Stock of materials in hand on site	300
Materials transferred to Contract No. 52	6,000
Materials transferred from Contract No 50	1,600
Direct Expenses (Inclusive of unpaid chargeable expenses Rs. 3,000)	23,000
Establishment overheads	37,200
Plant installation at site on 30- 9-2016	58,000
Installation charges for plant	2,000
Work certified	11,00,000
Work uncertified	16,500
Cash received up to 31-3-2017	8,80,000

Provide depreciation on Plant @ 40% p.a. as per Straight Line Method.  
 Prepare Contract Account for Contract No. 51.

**OR**

Explain difference between Job costing and contract costing.

- Q.2** A product passes through three processes A, B and C. 20,000 units were issued to Process 'A' in the beginning at cost of Rs. 20 per unit. Prepare Process Account assuming that there was no opening or closing stock. The following information is made available. **(10)**

Particulars		Process 'A'	Process 'B'	Process 'C'
Sundry Materials	Rs.	20,000	30,000	10,000
Wages	Rs.	1,00,000	1,60,000	1,30,000
Direct Expenses	Rs.	30,600	36,200	61,656
Normal Scrap	%	3	5	8
Value of Scrap per unit	Rs.	5.00	10.00	17.00
Actual Output	Units	19,000	18,200	16,200

**OR**

Define the term 'Process Costing'. Write the salient features of process costing.

**Q.3** From the following data you are required to calculate the cost per running km. **(10)**

<b>Particulars</b>		<b>Rs.</b>
Cost of Vehicle	Rs.	1,00,000
Annual Road Licence	Rs.	3,000
Insurance Per Annum	Rs.	2,800
Yearly Garage Rent	Rs.	2,400
Supervision and Salaries for twelve months	Rs.	5,200
Driver's Wages per running hour	Rs.	6
Cost of Petrol per litre	Rs.	3.50
Repairs and Maintenance per km	Rs.	3.30
Cost of Tyres and Tubes per km	Rs.	3.59
Estimate Life	kms	1,60,000
Km. per litre of petrol	kms	10
Annual kms run	kms	24,000

Charge interest @ 10% p.a. on cost of vehicle and vehicle runs 40 km. per hour on an average.

**OR**

Define the term 'Service Costing'. What are its merits and demerits?

**Q.4** Write short notes (**ANY TWO**): **(10)**

- a) Cost plus Contract
- b) Distinction between Job Costing and Contract Costing
- c) Features of Process Costing
- d) Escalation Clause.

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