

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION DECEMBER 2024
(Third Semester)

Branch – **COMMERCE (COST & MANAGEMENT ACCOUNTING)**

ADVANCED COST AND MANAGEMENT ACCOUNTING

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** marks

(10 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	Which is suitable for operating costing? a. Job order Business b. Contractors c. Sugar Industry d. Service Industry	K1	CO1
	2	Select the suitable method of job costing. a. Oil processing units b. Transport companies c. Sugar industry d. Repair shops	K2	CO2
2	3	Which costing and process costing cannot be simultaneously used in the same industry? a. service b. Job c. batch d. Contract	K1	CO1
	4	Which of the following serves at a subsidiary ledger for the work in process account? a. Standard cost card b. Material requisition form c. Job requisition form d. Job order cost sheet	K2	CO1
3	5	The method of costing used in case of a gas company is termed as _____. a. Job Costing b. Process Costing c. Operation Costing d. Marginal Costing	K1	CO3
	6	Select the units value of abnormal loss and gain. a. Market value b. Scrap value c. Realising value d. Cost per unit of the process-just like good output	K2	CO2
4	7	Which is Marginal Cost? a. prime cost b. Variable cost c. Work cost d. Cost of production	K1	CO1
	8	Select the process of Break even point. a. Sales at which profit is high b. Sales at which there is loss c. Sales at which there is no profit or loss d. Sales at which only loss	K2	CO2
5	9	Which budget is commonly takes the form of budgeted profit and loss account and Balance sheet? a. Cash Budget b. Master Budget c. Flexible Budget d. Functional Budget	K1	CO1
	10	The Budget that is prepared first of all is a. Cash Budget b. Master Budget c. Flexible Budget d. Budget for the key factor	K2	CO1

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SECTION - B (35 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks (5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO														
1	11.a.	Prepare Process Accounts from the following details: <table><thead><tr><th></th><th>I</th><th>II</th></tr><tr><th>Rs.</th><th>Rs.</th></tr></thead><tbody><tr><td>Materials</td><td>40,000</td><td>6,000</td></tr><tr><td>Labour</td><td>15,000</td><td>16,000</td></tr><tr><td>Expenses (direct)</td><td>5,000</td><td>3,000</td></tr></tbody></table> Production overhead Rs.60,000 to be allocated to Process I and II on the basis of 150% of Direct Wages. Production during the period 2,000 units.		I	II	Rs.	Rs.	Materials	40,000	6,000	Labour	15,000	16,000	Expenses (direct)	5,000	3,000	K6	CO3
		I	II															
	Rs.	Rs.																
Materials	40,000	6,000																
Labour	15,000	16,000																
Expenses (direct)	5,000	3,000																
(OR)																		
11.b.	Discuss the elements of cost.																	
2	12.a.	From the following information prepare Job No.236 account in the Job Cost Ledger: <table><thead><tr><th></th><th>Rs.</th></tr></thead><tbody><tr><td>Direct materials purchased</td><td>3,600</td></tr><tr><td>Direct materials received from stores</td><td>25,200</td></tr><tr><td>Direct wages</td><td>14,400</td></tr><tr><td>Other direct expenses</td><td>1,500</td></tr></tbody></table> The works overheads are to be taken at 75% of wages and administrative overheads at 25% of works cost. The contract price of Job No.236 which is completed is fixed as Rs.82,500.		Rs.	Direct materials purchased	3,600	Direct materials received from stores	25,200	Direct wages	14,400	Other direct expenses	1,500	K3	CO4				
		Rs.																
	Direct materials purchased	3,600																
Direct materials received from stores	25,200																	
Direct wages	14,400																	
Other direct expenses	1,500																	
(OR)																		
12.b.	Senthil construction Company undertook a contract for constructing a building from 1st Jan 2010, contract price was Rs.1,00,000. He incurred the following expenses: <table><thead><tr><th></th><th>Rs.</th></tr></thead><tbody><tr><td>Materials issued</td><td>6,000</td></tr><tr><td>Materials in hand, at the end</td><td>1,000</td></tr><tr><td>Wages</td><td>5,000</td></tr><tr><td>Direct expenses</td><td>20,000</td></tr><tr><td>Plant purchased</td><td>10,000</td></tr></tbody></table> The contract was completed on 30th June 2010 and the contract price was duly received. Provided depreciation @20% p.a. on plant and charge indirect expenses at 20% on wages. Prepare contract account.		Rs.	Materials issued	6,000	Materials in hand, at the end	1,000	Wages	5,000	Direct expenses	20,000	Plant purchased	10,000					
	Rs.																	
Materials issued	6,000																	
Materials in hand, at the end	1,000																	
Wages	5,000																	
Direct expenses	20,000																	
Plant purchased	10,000																	
3	13.a.	Sridhar & Co produces a product through two processes 'J and 'K'. Prepare the process accounts from the following details relating to March 2007 <table><thead><tr><th></th><th>Process J</th><th>Process K</th></tr><tr><th>Rs.</th><th>Rs.</th></tr></thead><tbody><tr><td>Materials</td><td>45,000</td><td>15,000</td></tr><tr><td>Labour</td><td>60,000</td><td>25,000</td></tr><tr><td>Chargeable expenses</td><td>5,000</td><td>10,000</td></tr></tbody></table> The overheads amounting to Rs.17,000 are to be apportioned on the basis of labour.		Process J	Process K	Rs.	Rs.	Materials	45,000	15,000	Labour	60,000	25,000	Chargeable expenses	5,000	10,000	K4	CO2
		Process J	Process K															
	Rs.	Rs.																
Materials	45,000	15,000																
Labour	60,000	25,000																
Chargeable expenses	5,000	10,000																
(OR)																		
13.b.	Sujatha industries produces three products X,Y and Z from a joint process. The joint processing cost before separation amounted to Rs.1,25,000. The output of X, Y and Z was 5,000 and 6,000 and 1,500 respectively. Apportion the joint cost among the products on the basis of average unit cost method.																	

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4	14.a.	From the following data calculate: a) P/V ratio b) Profit when sales are Rs. 20,000 and c) New break even point if selling price is reduced by 20% Fixed Expenses
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SECTION -C (30 Marks)

Answer ANY THREE questions

ALL questions carry EQUAL Marks

(3 × 10 = 30)

Module No.	Question No.	Question	K Level	CO																								
1	16	From the following figures show the cost of three process of manufacture. The production of each process is passed on the next till completion	K4	CO1																								
		<table><tr><th>Particulars</th><th>Process A Rs</th><th>Process B Rs</th><th>Process C Rs</th></tr><tr><td>Wages & Materials</td><td>60,800</td><td>24,000</td><td>58,500</td></tr><tr><td>Works O.H</td><td>11,200</td><td>10,500</td><td>12,000</td></tr><tr><td>Production (in Units)</td><td>72,000</td><td>75,000</td><td>96,000</td></tr><tr><td>Stock (Units from Proceeding process 1st July 2020)</td><td>-</td><td>8000</td><td>33,000</td></tr><tr><td>Stock (Units from Proceeding Process 31st July 2020)</td><td>-</td><td>2000</td><td>11,000</td></tr></table>			Particulars	Process A Rs	Process B Rs	Process C Rs	Wages & Materials	60,800	24,000	58,500	Works O.H	11,200	10,500	12,000	Production (in Units)	72,000	75,000	96,000	Stock (Units from Proceeding process 1 st July 2020)	-	8000	33,000	Stock (Units from Proceeding Process 31 st July 2020)	-	2000	11,000
		Particulars			Process A Rs	Process B Rs	Process C Rs																					
		Wages & Materials			60,800	24,000	58,500																					
		Works O.H			11,200	10,500	12,000																					
		Production (in Units)			72,000	75,000	96,000																					
		Stock (Units from Proceeding process 1 st July 2020)			-	8000	33,000																					
Stock (Units from Proceeding Process 31 st July 2020)	-	2000	11,000																									
2	17	Contractors Ltd., undertook a special contract for a total value of Rs.12 lakhs. It was expected that the contract would be completed by 31 st March 2004. You are required to prepare a contract account for the year ending 31.1.2004 from the following:	K4	CO3																								
		Rs.																										
		Wages 3,00,000																										
		Materials sent to site 50,000																										
		Materials lying at site on 31.12.04 20,000																										
		Special plant 1,00,000																										
		Overheads 60,000																										
Works certified 8,00,000																												
Depreciation at 10% to be provided on plant. Cash received is 80% of work certified. 5% of the value of materials used and 6% of wages may be taken to have been incurred for the portion of work completed but not yet certified. Overheads are charged as a percentage of direct wages.																												
3	18	From the following particulars, prepare Process 'X' Account showing cost per ton of output:	K3	CO3																								
		Materials (tons) 1,000																										
		Cost of material per ton Rs.125																										
		Wages Rs.28,000																										
		Manufacturing expenses Rs.8,000																										
		Output (tons) 830																										
		Normally 5% of the weight is lost in the process and 10% is scrap which realizes Rs.80 per ton. There was no stock or work-in-progress.																										

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4	19	The sales and profit for 2005 and 2006 are as follows:			K2	CO4	
			Sales	Profit			
			Rs.	Rs.			
		2005	1,50,000	20,000			
		2006	1,70,000	25,000			
		Find out:					
		a) P/V Ratio					
		b) BEP					
		c) Sales for a profit of Rs. 40,000					
		d) Profit for sales of Rs. 2,50,000 and					
e) Margin of safety at a profit of Rs. 50,000							
5	20	Draw a flexible budget for overhead expenses on the basis of the following data and determine the overhead rated at 40%, 50%, 60% plant capacity.			K3	CO5	
			Capacity levels				
			40%	50%			60%
		Variable Overheads					
		Indirect Labour		6,000			
		Stores including Spares		2,000			
		Semi-Variable Overheads					
		Power (30% fixed, 70% Variable)		10,000			
		Repair & Maintenance (60% fixed, 40% variable)		1,000			
		Fixed Overheads					
		Depreciation		5,500			
		Insurance		1,500			
		Salaries		5,000			
		Total Cost		<u>31,000</u>			
Estimated direct Labour hours: 50,000 hrs.							

Z-Z-Z

END