

# Subject: COST ACCOUNTING-II

## S.Y. BAF - Semester IV

### ASSIGNMENT

Q1) Following details are furnished by M/s Sagar Ltd for the year ended 31<sup>st</sup> March 2017

| Particulars                                   | Amount(Rs) |
|---|------------|
| Direct Material                               | 3,40,000   |
| Opening Stock of Finished Goods(1,000 units)  | 85,250     |
| Closing Stock of Finished Goods (2,000 units) | ?          |
| Depreciation on Plant and Machinery           | 96,000     |
| Loss on Sale of Machinery                     | 17,500     |
| Trade Fair Expenses                           | 85,500     |
| Direct Expenses                               | 1,60,000   |
| General Manager's Salary                      | 3,80,000   |
| Dividend Paid                                 | 7,800      |
| Direct Wages                                  | 2,60,000   |
| Purchase of Machinery                         | 1,90,000   |
| Advertisement                                 | 1,85,250   |
| Depreciation on Computer                      | 1,72,000   |
| Drawing and Designing Expenses                | 54,000     |
| Depreciation on Delivery Van                  | 1,14,000   |
| Office Maintenance Charges                    | 1,88,000   |
| Factory Rent                                  | 1,50,000   |
| Sales(19,000 units)                           | 22,80,000  |

Closing Stock of Finished Goods to be valued at Cost of Production

You are required to prepare Cost sheet showing various elements of cost both in total as well as cost per unit and also find out Total Profit and per unit profit

Q2) From the Books of M/S ABC Ltd the following details have been extracted for the year ending 31-3-2015

| Particulars                      | Amount(Rs) |
|----------------------------------|------------|
| Opening Stock of Raw Materials   | 2,70,000   |
| Closing Stock of Raw Materials   | 3,00,000   |
| Purchase of Raw Materials        | 12,48,000  |
| Direct Wages                     | 3,57,600   |
| Direct Expenses                  | 1,20,000   |
| Indirect Wages                   | 24,000     |
| Salaries to Administrative Staff | 60,000     |
| Carriage Inward                  | 48,000     |
| Carriage Outward                 | 37,500     |
| Manager Salary                   | 72,000     |
| General Charges                  | 37,200     |
| Legal Charges for Criminal Suit  | 20,000     |
| Commission on Sales              | 28,000     |
| Fuel                             | 96,000     |
| Electricity Charges(Factory)     | 72,000     |
| Director's Fees                  | 36,000     |
| Repairs to Plant and Machinery   | 63,000     |
| Rent,Rates and Taxes(Factory)    | 18,000     |
| Rent,Rates and Taxes(Office)     | 9,600      |

|                                     |        |
|-------------------------------------|--------|
| Depreciation on Plant and Machinery | 45,000 |
| Depreciation on Furniture           | 3,600  |
| Salesman Salaries                   | 50,000 |
| Audit Fees                          | 18,000 |

Additional Information:

- 1) The Manager's Salary is shared between factory and Office in the ratio of 20:80.
- 2) Selling Price is 120% of the Cost Price.
- 3) Carriage Outwards include 7500 being carriage inwards on Plant and Machinery

Q3) The following information is available from Cost and Financial Accounts in respect of a company for the year ended 31<sup>st</sup> Dec 2013. You are required to prepare a statement reconciling the profit or loss for the same by taking Costing Profit as the base.

The following item(shown in table) are shown in Financial Accounts but not in Cost Accounts

| Particulars                             | Amt(Rs) |
|---|---------|
| Loss due to obsolescence of assets      | 7,400   |
| Provision for Income Tax                | 76,000  |
| Loss due to reduction in value of Stock | 12,000  |
| Interest Paid                           | 8,000   |
| Loss by Fire                            | 2,100   |
| Interest on investments received        | 12,000  |
| Bank interest received                  | 2,450   |
| Rent received                           | 4,000   |

The additional information is as follows :

- 1) In Cost Accounts, Factory expenses are estimated at Rs 52,000, while in Financial Accounts they are charged at 58,240
- 2) In Cost Accounts, Administration expenses are estimated at Rs 40,000 while in financial accounts they are charged at 36,600
- 3) In cost accounts depreciation is charged excessively by Rs 2,600 as compared to Financial Accounts
- 4) Profit as shown by Financial Accounts does not agree with the profit shown by Cost Accounts. Profit as shown by Cost Accounts is Rs 3,44,800 while as shown by Financial Accounts is 2,57,510.

Q4) What are the advantages of Cost sheet ?

Q5) What is Process Costing? Explain the features of Process Costing