Program:	S.Y.B.Com(A & F)	**Semester:** III	**Program Code:** UGAF03
Course:	Cost Accounting - III		**Course Code:** NUAF036

Duration: 2 Hours **Examination Pattern:** NEP-Autonomous-External **Max. Marks:** 60

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Draw neat diagrams wherever necessary.
4. CO (Course Outcome), KL (Knowledge Level).

Examination:

REGULAR

Q. 1		**Answer the following**					[15]	CO's	KL's
	(a)	**Fill in the blanks with an appropriate answer from the alternatives given.**					[08]	CO1 CO3	L1 L3
		I	A process receives 1,000 units as input. Normal Loss is 10% of input. What is the Normal Loss?						
			a.	50 units	b.	100 units			
			c.	150 units	d.	900 units			
		II	Retention Money is _____.						
			a.	Advance payment received	b.	Amount retained by contractee until satisfactory completion			
			c.	Bonus paid to contractor	d.	Penalty imposed on contractor			
		III	Closing Work-in-Progress consists of 500 units, which are 60% complete regarding conversion cost. What are the equivalent units for conversion cost?						
			a.	200 units	b.	300 units			
			c.	400 units	d.	500 units			
		IV	Work Uncertified is valued at _____.						
			a.	Contract Price	b.	Cost incurred			
			c.	Selling Price	d.	Market Price			
		V	A process has a total process cost of ₹90,000 and normal output of 900 units. What is the cost per unit?						
			a.	₹90	b.	₹100			
			c.	₹110	d.	₹120			
		VI	A Cost Plus Contract is suitable when _____.						
			a.	Costs can be estimated accurately	b.	Costs are uncertain			
			c.	Project is completed	d.	Profit is fixed			

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		VII	Work Certified is valued at ₹8,00,000 and Work Uncertified is ₹50,000. The total cost of the contract to date is ₹7,00,000. Calculate Notional Profit.						
			a.	₹1,00,000	b.	₹1,50,000			
			c.	₹2,00,000	d.	₹2,50,000			
		VIII	An ABC Cost Pool contains overheads of ₹2,40,000. Total machine setups are 120. What is the cost per setup?						
			a.	₹1,000	b.	₹1,500			
			c.	₹2,000	d.	₹2,500			
	(b)	**State whether the following statements are true or false.**					**[07]**	**CO's**	**KL's**
		I	Process Costing is most suitable for customized production.					**CO1**	**L1**
		II	Equivalent Production is mainly used for valuation of work-in-progress.						
		III	A Cost Driver is a place where a cost occurs.						
		IV	The primary purpose of Inter-process Profit is to measure the efficiency of each process.						
		V	Normal Loss is generally expressed as a percentage of sales.						
		VI	Work Certified refers to work approved by an architect or surveyor.						
		VII	Inter-process Profit is charged when output is sold directly to customers.						
Q. 2		**Attempt any ONE of the following.**					**[15]**	**CO's**	**KL's**
	(a)	Apex Manufacturing Works, engaged in the manufacture of a standard product, processes 20,000 units of raw material through a single production department. During the accounting period, the factory incurred material, labour, and production overhead costs in converting the raw materials into finished output. The production process involves an expected loss under normal operating conditions, and the units lost can be disposed of as scrap. The following information relates to the operations of Apex Manufacturing Works for the period:						**CO3**	**L3**

Particulars	**Details**
Material Cost	₹4,00,000
Labour Cost	₹2,00,000
Production Overheads	₹1,00,000
Normal Loss	5%
Scrap Value	₹8 per unit
Actual Output	18,200 units

Required:
a) Prepare the Process Account.
b) Calculate the Abnormal Loss in units and value.
c) Prepare the Abnormal Loss Account.
d) Show all necessary working notes and calculations clearly.

OR

(b) ABC Ltd. manufactures a product through Process A. The following information is available for the month of March 2026:

Opening Work-in-Progress: 4,000 units
Degree of completion of Opening WIP:
- Materials – 100%
- Labour – 60%
- Factory Overheads – 60%

Units introduced during the month: 16,000 units
Units transferred to Process B: 15,000 units
Closing Work-in-Progress: 5,000 units
Degree of completion of Closing WIP:
- Materials – 100%
- Labour – 50%
- Factory Overheads – 50%

Cost Details

Particulars	**Amount (₹)**
Opening WIP – Materials	24,000
Opening WIP – Labour	16,000
Opening WIP – Factory Overheads	12,000
Materials Added	1,20,000
Direct Labour	90,000
Factory Overheads	60,000
Total	**3,22,000**

Required:
1. Prepare Statement of Equivalent Production under Weighted Average Method.
2. Calculate Cost per Equivalent Unit for Materials, Labour and Factory Overheads.
3. Calculate the value of Units Transferred to Process B and Closing Work-in-Progress.

CO3 **L3**

Q. 3		**Attempt any ONE of the following.**	**[15]**	**CO's**	**KL's**
	(a)	M/s Yash Builders Ltd. undertook Contract No. 205 on 1st April 2025 for a contract price of ₹1,20,00,000. The following details are available for the year ended 31st March 2026:		**CO3**	**L3**

Particulars	Amount (₹)
Materials Issued	30,00,000
Direct Wages	18,50,000
Direct Expenses	2,20,000
Site Overheads	3,80,000

Plant Installed	12,00,000
Materials at Site (Closing)	1,20,000
Plant at Site (Closing Value)	10,20,000
Work Certified	72,00,000
Work Uncertified	2,40,000
Cash Received	80% of Work Certified

The contract is expected to be completed during the next accounting year.

Required:

1. Prepare the Contract Account.
2. Calculate the Notional Profit.
3. Calculate the amount of Profit to be transferred to Profit & Loss Account.
4. Calculate the Reserve to be carried forward.

OR

(b) Arun Manufacturing Works produces different products and uses Activity-Based Costing (ABC) for a more accurate allocation of production overheads. Under this system, overhead costs are accumulated according to various activities and subsequently assigned to products based on the consumption of appropriate cost drivers. The following information relating to the company's activities is available for the accounting period:

CO3 **L3**

Activity	Total Overhead (₹)	Cost Driver	Total Driver Units
Purchasing	1,20,000	Purchase Orders	600
Machine Set-up	1,80,000	Number of Set-ups	300
Machine Operation	1,00,000	Machine Hours	2,000

A batch of 1,000 units of Product X requires the following resources and activities:

- Purchase Orders = 30
- Machine Set-ups = 8
- Machine Hours = 400
- Direct Material = ₹50,000
- Direct Labour = ₹30,000

Required:

1. Calculate the Activity-Based Overhead Rate for each activity.
2. Calculate the total overhead allocated to the batch of Product X.
3. Calculate the total cost of the batch and cost per unit of Product X.

Q. 4		Attempt any ONE of the following.	[15]	CO's	KL's
	(a)	Three manufacturing companies, Sterling Ltd., Meridian Ltd. and Falcon Ltd., are members of an association following Uniform Costing principles. The association collects and compares cost and financial information of its member firms to evaluate their relative efficiency, identify variations in cost structures and assess the effectiveness of cost control practices. The management of the association has decided to undertake an inter-firm comparison of the three companies for the financial year ended 31st March 2026. The following information is available from the financial records of the respective companies:		CO4	L4

Particulars	Sterling Ltd. (₹)	Meridian Ltd. (₹)	Falcon Ltd. (₹)
Sales	1,20,00,000	1,35,00,000	1,28,00,000
Direct Material	54,00,000	63,00,000	58,00,000
Direct Labour	24,00,000	26,50,000	27,00,000
Factory Overheads	15,60,000	18,90,000	17,20,000
Administration Overheads	7,20,000	8,40,000	7,80,000
Selling & Distribution Overheads	6,00,000	7,20,000	6,80,000
Net Profit	13,20,000	10,95,000	11,20,000

Required:

1. Calculate:
   - Material Cost to Sales Ratio
   - Labour Cost to Sales Ratio
   - Factory Overhead to Sales Ratio
   - Net Profit Ratio
2. Compare the performance of the three firms.
3. State which firm has exercised better cost control, giving suitable reasons.

		OR			
	(b)	**Short Notes (Any 3):**		CO1	L2
		i Normal Loss		CO2	
		ii Work Certified			
		iii Cost Drivers			
		iv Uniform Costing			
		v Equivalent Production			

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