Time: 2½ hrs. Marks:75

Note:
1. All questions are compulsory with internal options.
2. Figures to the right indicate full marks.
3. Draw neat diagram wherever necessary.

Q. 1 (A) Fill in the blanks with the correct answer from the alternatives given below. (Attempt any 8) **(08)**

(1) The stock of WIP is adjusted to:
a) Office overheads
b) Factory overheads
c) Selling overheads
d) Prime Cost

(2) Value of work certified Less profit =
a) Work-in-progress
b) Cost of work certified
c) Cost of Uncertified work
d) Reserves

(3) The degree of completion of work is determined by comparing the work certified with
a) Contract price
b) Cash Received
c) Retention Money
d) Work uncertified

(4) Abnormal gain is ________ in process account.
a) Debited
b) Credited
c) ignored
d) absorbed

(5) . Free samples are a part of ________
a) Selling & distribution expenses
b) Production expenses
c) Prime cost
d) Office Overheads

(6) Prime Cost + ________ = Factory Cost
a) Cost of Production
b) Works Overhead
c) Selling Overhead
d) Administrative Overhead

(7) Loss in contract account is transferred to ________.
a) 100% to WIP (Reserve)
b) 100% to Profit & Loss account
c) 2/3rd to WIP (Reserve)
d) 1/3rd to Profit & Loss Account

(8) Normal Loss is always valued at ________.
a) Cost of Production
b) Scrap Value
c) Selling Price
d) Net releasable Value

(9) If the percentage of work certified is less than 25% of the contract price, then the profit earned thereof should be
a) Transferred to P/L a/c
b) Transferred to Work in Progress (Reserve)
c) Partly transfer to P/L and WIP reserve
d) Ignore it

(10) Finished Goods is valued at ________.
a) Cost of Production
b) Selling price
c) Net realisable Value
d) Transfer price

(B) State whether the following statements are true or false. (Attempt any 7) **(07)**

(1) Input Less Abnormal Loss is Normal Output.

(2) Brand Ambassador cost is a part of Factory Cost.

(3) Contract Price is the price paid for goods transferred from Process A to Process B

(4) Notional profit means realised profit.

(5) All Prime cost elements are fixed in nature.

(6) Factory cost includes prime cost and factory overheads.

(7) Sub-contract charges are a part of the Contract cost.

(8) Loss arising on the sale of material in contract costing is credited to Contract a/c.

(9) Variable cost per unit is fixed.

(10) A plant specially purchased for use for a particular contract is retained as a part of Work-in-progress A/c.

Q.2 **The following particulars have been taken from the books of Heena Manufacturing Co. Ltd. for the year ended 31" March 2023.** **(15)**

Particulars	Amount
Purchases of Raw Materials	4,50,000
Direct wages	30,000
Power	50,000
Depreciation on Plant	20,000
Rent on Factory Building	25,000
Sales	10,00,000
Opening stock of Raw Materials	20,000
Opening stock of Finished Goods (1,000 Units)	50,000
Office Salary	15,000
Depreciation on Office Buildings	2,500
Office Sundry expenses	5,500
Repair & maintenance	6500
Selling expenses	50,000
Expenses on Delivery-Van	90,000
Cost of Catalogues	13,500
Office Electricity	20,000
Office Equipment depreciation	22,500
Closing stock of Raw Materials	25,000
Closing Stock of Finished Goods	60,000

Prepare Cost Sheet.

OR

Q.2 **From the following data prepare the Cost Statement for the year ended 31st April 2024.** **(15)**

Particulars	Rs.
Opening Stock	
Raw material	60000
Work in progress	75000
Finished Goods	120000
Supervisor Salary	20000
Rent, Rates and Taxes (Factory)	40000
Repairs to Plant & Machinery	19500
Sundry Expenses	15000
Office Manager's Salary	30000
Electricity (Office)	21000
Electricity (factory)	24000
Advertisement expenses	25000
Depreciation on Computer	36000
Depreciation on Machinery	35000
Direct Wages	250000
Salesman Commission	15000
Travelling Expenses	15500

Raw Material Purchased	275000
Carriage Inward	25500
Carriage Outward	10600
Office Salaries	25200
Sales	1200000
Closing Stock	
Raw material	45000
Work in Progress	85000
Finished Goods	100000

Q.3 LKW Ltd. produces a Product "Moon" which is obtained after it is processed through Process B, P, Q. **(15)**

The following cost information is available for the month ended 31st March 2024

	Processes		
Particulars	B	Q	R
Number of units introduced into the process	7500	-	-
Cost of Material (Rs.)	158000	-	-
Direct Wages (Rs.)	75000	38000	180000
Manufacturing Expenses (Rs.)	61750	37600	145000
Normal Loss	2%	10%	10%
Scrap value (Rs. per unit)	5	10	15
Actual Output (units)	7200	6500	5800

There is no stock in any process. You are required to prepare the Process Accounts.

OR

Q.3 Goodnight Ltd. produces a Product "Good Morning" which is obtained after it is processed through Processes X and Y. The following cost information is available for the month ended 31st March 2024 **(15)**

	Processes	
Particulars	X	Y
Number of units introduced into the process	50000	-
Cost of Material (Rs.)	1000,000	-
Direct Wages (Rs.)	565,000	278,400
Manufacturing Expenses (Rs.)	500,000	240000
Normal Loss	10%	10%
Scrap value (Rs. per unit)	8	10
Actual Output (units)	48000	43000

There is no stock in any process. You are required to prepare the Process Accounts, Normal Loss A/c, Abnormal Loss A/c and Abnormal Gain A/c (if any).

Q.4 The following information relates to two Contracts of BEE Limited in 2024. **(15)**

Particulars	Contract M	Contract N
Material at site	500,000	270,000
Labour	250,000	130,000
Plant at site	10,00,000	800,000
Direct Expenses	180,000	125,000
Establishment Charges	150,000	70,000
Material Returned to store	10,000	5,000
Work certified	15,00,000	900,000
Work Uncertified	50,000	45,000
Material at site (31.03.2024)	40,000	20,000
Contract Price	20,00,000	15,00,000

Depreciation to be charged @ 10% p.a. Plant issued to Contract Z on 01.07.2023 and Plant issued to Contract Y on 1.4.2023. Cash Received from the contractee was 75% for Contract Z and Contract Y - 80% of the value of work certified. Prepare the Contract Accounts.

OR

Q.4 The following information relates to a building contract for Rs. 40,00,000. **(15)**

Particulars	2022	2023
Material issued	1200,000	336,000
Direct Wages	880,000	400,000
Direct Expenses	48,000	40,000
Sub-contract charges	40,000	-
General expenses	24,000	5,600
Work certified (cumulative)	3000,000	4000,000
Work uncertified	32,000	-
Plant issued	56,000	8,000
Material returned to stores	-	28,000
Material at site at year-end	20,000	-
Cash received at year-end	2400,000	1600,000
Supervision charges	40,000	20,000

The value of the plant at the end of the years 2022 and 2023 was Rs. 28000 and Rs. 20000 respectively. Prepare the contract account for the years ended 2022 and 2023 and show the calculation for profit and loss for the year 2022.

Q.5 (a) State briefly the advantages and disadvantages of Process costing **(08)**

(b) Distinguish between work certified and work uncertified. **(07)**

OR

Q.5 **Write short notes on (Attempt any 3)** **(15)**

(1) Contract account
(2) Retention Money
(3) Fixed cost features with examples
(4) Direct costs
(5) Need of Cost Sheet

---X---