

[6224]-610

T.Y. B.Com.

**365(e) : Cost & Works Accounting - II**  
**(2019 Pattern) (Semester - VI)**

Time : 2½ Hours]

[Max. Marks : 50

## Instructions to the candidates:

- 1) Answer all questions.
- 2) Figures to the right indicate full marks.

**Q1) a) Fill in the blanks (Any 5 out of 6) : [5]**

- i) \_\_\_\_\_ Clause in a contract calls for a price decrease if there is a decrease in certain costs.
 

a) Project	b) Cost
c) Sales	d) De-escalation
- ii) \_\_\_\_\_ costing is a method where in the products go through two or more processes.
 

a) Process	b) Job
c) Service	d) Contract
- iii) Operating Costing is a method of ascertaining costs of providing or operating a \_\_\_\_\_.
 

a) place	b) product
c) service	d) contract
- iv) A cost-plus contract is one in which the contractor is reimbursed for the actual costs of a project plus a \_\_\_\_\_.
 

a) profit	b) loss
c) part	d) commission
- v) Contract costing, also known as \_\_\_\_\_ costing.
 

a) Service	b) Process
c) Operating	d) Terminal
- vi) In contract costing the total loss if any is transferred to \_\_\_\_\_
 

a) Trading Account	b) Balance sheet
c) Costing profit and loss	d) Drawings

b) **Match the following :** [5]

i) Job costing	A) Operating costing
ii) Service Costing	B) Secondary product
iii) Normal Loss	C) Specific order costing
iv) Work Certified	D) Cannot be avoided
v) By product	E) Portion of work completed and certified

**Q2) Short Notes (Any Two out of Four):** [10]

- a) Importance of Escalation clause
- b) Explain Joint Products
- c) Importance of Job Costing
- d) Need for Process Costing

**Q3) C Ltd.** undertook a contact for construction of bridge. The contact price is Rs.600000. The following is the information relating to the contact during the year 2022-2023 [15]

Particulars	Amt
Materials Purchased and issued	70698
Materials sent to site	100000
Materials returned to stores	1098
Materials at site on 31/03/2023	3766
Labour engaged on site	140000
Wages accrued and due but not paid	8750
Engineers fees	6334
Direct expense payable	580
General overheads	8252
Overheads outstanding	9250
Plant installed at site cost	41500
Erection charges on site for Plant	1250
Scrap value of plant after 5 years	2750
Work certified	390000
Cost of work not certified	9000
Cash received from contractee	360000

Prepare Contract account and contractee's account. Also show the amount of profit which you consider might be fairly taken on the contract and how have you calculated the same

**Q4)** The Bharat Chemicals Ltd. produced a product which passes through three processes during the month. In each process 2% of the total weight put in is lost and 10% is scrap. In Process I and Process II the scrap realises Rs.100 per ton and from Process III Rs.20 per ton. [15]

Particulars	Process I	Process II	Process III
Materials Used tons	1000	140	1348
Raw Materials consumed Rs.	120000	28000	283620
Manufacturing Wages Rs.	20500	18520	15000
General Overheads Rs.	10300	7240	3100
The product of three processes are dealt as follows			
Passed to next process	75%	50%	-
Sent to warehouse for sale	25%	50%	100%

Prepare process accounts showing cost per ton of each process.

OR

From the following data calculate the cost per running mile of River Lines Transport Co.

Particulars	
Mileage run (annual)	6000 miles
Cost of vehicle	Rs.150000
Road License (annual)	Rs.7500
Annual Insurance	Rs.4000
Annual Garage Rent	Rs.5420
Supervision and Salaries (annual)	Rs.24000
Drivers wages per hour	Rs.30
Cost of fuel per liter	Rs.20
Miles run per liter	15 miles
Repairs and Maintenance per mile	Rs.2
Tyre Allocation Per mile	Rs.0.60
Estimated life of vehicle	75000 miles

Charge interest at 15% on the cost of vehicle. The vehicle runs 20 miles per hour on an average.

