

365 e : COST AND WORKS ACCOUNTING-II**(2019 Pattern) (Semester- VI) (Paper-II)***Time : 2½ Hours]**[Max. Marks : 50**Instructions to the candidates:*

- 1) *All questions are compulsory*
- 2) *Figures to the right indicate full marks.*

Q1) A) Multiple choice questions. (Any 5 out of 6) [5]

- a) _____ Clause in a contract calls for a price decrease if there is a decrease in certain costs.
 - i) Project
 - ii) Cost
 - iii) Sales
 - iv) De-escalation
- b) _____ costing is a method wherein the products go through two or more processes.
 - i) Process
 - ii) Job
 - iii) Service
 - iv) Contract
- c) Operating Costing is a method of ascertaining costs of providing or operating a _____.
 - i) Place
 - ii) product
 - iii) service
 - iv) contract
- d) A cost-plus contract is one in which the contractor is reimbursed for the actual costs of a project plus a _____.
 - i) Profit
 - ii) loss
 - iii) Part
 - iv) Commission
- e) Contract costing, also known as _____ costing.
 - i) Service
 - ii) Process
 - iii) Operating
 - v) Terminal
- f) In contract costing the total loss if any is transferred to _____.
 - i) Trading Account
 - ii) Balance sheet
 - iii) Costing profit and loss
 - iv) Drawings

B) Match the following**[5]**

- | | |
|--------------------|--|
| a) Job costing | i) Operating costing |
| b) Service Costing | ii) Secondary product |
| c) Normal Loss | iii) Specific order costing |
| d) Work Certified | iv) Cannot be avoided |
| e) By product | v) Portion of work completed and certified |

P.T.O.

Q2) Short Notes (Any 2 out of 4)

[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 contract for construction of bridge. The contract price is Rs. 6,00,000. The following is the information relating to the contract during the year 2022-2023

[15]

Particulars	Amt
Materials Purchased and issued	70,698
Materials sent to site	1,00,000
Materials returned to stores	1,098
Materials at site on 31/03/2023	3,766
Labour engaged on site	1,40,000
Wages accrued and due but not paid	8,750
Engineers fees	6,334
Direct expense payable	580
General overheads	8,252
Overheads outstanding	9,250
Plant installed at site cost	41,500
Erection charges on site for plant	1,250
Scrap value of plant after 5 years	2,750
Work certified	3,90,000
Cost of work not certified	9,000
Cash received from contractee	3,60,000

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.

Particulars	Process I	Process II	Process III
Materials Used tons	1,000	140	1,348
Raw Materials consumed Rs.	1,20,000	28,000	2,83,620
Manufacturing Wages Rs.	20,500	18,520	15,000
General Overheads Rs.	10,300	7,240	3,100
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. **[15]**

OR

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

Particulars	
Mileage run (annual)	6,000 miles
Cost of vehicle	Rs. 1,50,000
Road Licence (annual)	Rs. 7,500
Annual Insurance	Rs. 4,000
Annual Garage Rent	Rs. 5,420
Supervision and Salaries (annual)	Rs. 24,000
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	75,000 miles

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

