

Subject : Advanced Cost Accounting - I

Day : Thursday
Date : 06/10/2016

S.D.E.

Time : 3.00 P.M. TO 6.00 P.M.
Max Marks : 80 Total Pages : 3

N. B. :

- 1) All questions are **COMPULSORY**.
- 2) All questions carry **EQUAL** marks.
- 3) Answers to both the sections should be written in the **SAME** answer book.
- 4) Use of calculator is **ALLOWED**.

SECTION - I

- Q. 1** Attempt **ANY TWO** of the following: **(16)**
- a) What do you mean by absorption of overhead?
 - b) What do you mean by Economic Order Quantity? How is it determined?
 - c) Distinguish between Work Certified and Work Uncertified.
 - d) Explain the importance of labour as an element of cost.

- Q. 2** Reliable Construction, Mumbai took a contract No. 51 for construction of a school building on 1-4-2015. The contract price is fixed at Rs. 15,00,000/- subject to a retention of 20% of work certified. The following are the details of expenses made by the contractor on this contract during the year 2015-16. **(16)**

Particulars	Rs.
Productive Labour Charges	4,00,000
Unproductive Labour Charges	5,000
Outstanding Wages	7,800
Materials Issued from store –room	4,20,000
Materials Purchased directly	81,200
Stock of Materials in hand on site	300
Materials Transferred to Contract No. 52	6,000
Materials Transferred from Contract No. 50	1,600
Direct Expenses (Inclusive of unpaid changeable expenses Rs. 3,000/-)	23,000
Establishment Overheads	37,200
Plant Installed at site on 30-9-2015	58,000
Installation Charges for Plant	2,000
Work Certified	11,00,000
Work Uncertified	16,500
Cash Received up to 31-03-2016	8,80,000

Provide depreciation on plant @ 40% p.a. as per Straight Line Method.
Prepare Contract Account for Contract No. 51 and Contractee's Account.

P. T. O.

OR

Product X is obtained after it passes through three distinct processes. You are required to prepare Process Account from the following information:

Particulars	Total	Process		
		I	II	III
	Rs.	Rs.	Rs.	Rs.
Material	15,084	5,200	3,960	5,924
Direct Wages	18,000	4,000	6,000	8,000
Production Overheads	18,000	-	-	-
Actual Out put	Units	950	840	750
Normal Loss	%	5	10	15
Value of Scrap per unit	Re.	4	8	10

1,000 units @ Rs. 6/- per unit were introduced in Process I Account. Production overheads to be distributed as 100% of direct wages.

SECTION - II

- Q. 3** Honda Motor Cycles Ltd. Gurgaon has given you with the weekly report of (16)
the two workers viz. Hardy and Sturdy. They get guaranteed wages of Rs. 10/- per hour. Their payments are made on weekly basis consisting 48 hours.

Worker	Standard Time Per Unit	Hours Worked	Units of Output made
Hardy	Half an Hour	48	110
Sturdy	Half an Hour	48	80

Calculate the amount payable under:

- i) Time Rate System
- ii) Piece Rate System
- iii) Piece Rate with guaranteed weekly wages
- iv) Taylor's Differential Piece Rate Plan
- v) Halsey Premium Plan
- vi) Rowan Premium Plan.

OR

Attempt the following:

(16)

- a) Explain General principles of treatment of depreciation.
- b) Explain reasons of reconciliation of cost and financial accounts.

- Q. 4** Attempt the following:

(16)

- a) Explain the role of Management Accountant.
- b) Explain financial measures to improve productivity.

Q. 5 Write short notes on **ANY FOUR** of the following:

(16)

- a) Defectives
- b) Productivity v/s Efficiency
- c) Farm Costing
- d) Waste
- e) Value Chain Analysis
- f) Job Costing.

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