2018

(5th Semester)

COMMERCE

(Honours)

Paper No. : BCAF–05

(Advanced Cost and Management Accounting)

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

The figures in the margin indicate full marks for the questions

1. *(a)* What are the scope of Management Accounting? Explain the different classifications of cost. 7+7=14

Or

(b) From the following information, prepare Reconciliation Statement : 14

	₹
Net profit as per financial books	6,37,800
Net profit as per cost accounting	6,67,600
Factory overheads under recovery in costing	57,000

	₹
Administrative overheads recovered in excess	42,500
Depreciation charged in financial books	36,600
Depreciation charged in cost account	39,500
Interest received but not included in cost accounting	4,500
Income tax provided in financial books	6,000
Bank interest credited in financial books	2,300
Store adjustment credited in financial books	4,200
Devaluation of stock charged in financial books	8,600
Dividend paid in financial books	12,000
Loss due to damage provided in financial books	2,600

2. *(a)* What are the different causes of labour turnover? Explain the main features of a good wage system. 8+6=14

Or

(b) Show the Stores Ledger entries as they would appear when using LIFO method : 14

2017			*Units*	*Price* ₹
May	1	Balance in hand	3000	3
"	2	Purchased	2000	2·50
"	4	Issued	1500	—
"	6	Purchased	2000	2·80
"	11	Issued	1500	—

2017		Units	Price
			₹
May 15	Weight lost	100	—
" 19	Issued	2000	—
" 22	Purchased	3000	2·90
" 25	Returned from factory	150	—
" 27	Issued	1500	—

3. *(a)* The following details are available from the books of accounts of a contractor with respect to a particular construction work for the year ended 31st March, 2016 :

Particulars	₹
Contract price	91,00,000
Cash, received (90% of work certified)	71,91,000
Materials sent to site	35,82,600
Planning and estimation cost	3,50,000
Direct wages paid	32,62,700
Cost of plant installed at site	7,00,000
Direct expenses	1,68,000
Establishment expenses	2,03,000
Materials return to store	14,840
Head office expenses apportioned	2,50,000
Cost of work uncertified	3,17,000

On 31st March, 2016 :

	₹
Materials at site	85,400
Accrued direct wages	78,120
Accrued direct expenses	9,310
Value of plant (as revalued)	6,16,000

(i) Prepare the Contract A/c for the year ended 31st March, 2016.

(ii) Show the Relevant Balance Sheet.

10+4=14

Or

(b) A product passes through three processes to completion. In January 2015 the cost of production were as given below :

Particulars	*Process*		
	I	*II*	*III*
Direct materials (₹)	2,000	3,020	3,462
Wages (₹)	3,500	4,226	5,000
Production overhead (₹)	1,500	2,000	2,500
Normal loss (%)	10	5	10
Wastage realized (₹)	3 p.u.	5 p.u.	6 p.u.
Actual production (units)	920	870	800

1000 units of materials were issued to Process—I at ₹ 5 per unit

Prepare Process—I, Process—II and Process—III A/cs. 6+4+4=14

4. (a) What is Marginal Costing? What are the advantages and disadvantages of Marginal Costing? 2+6+6=14

Or

(b) From the following information, you are required to calculate—

(i) material cost variance;

(ii) material price variance;

(iii) material mix variance;

(iv) material usage variance;

(v) material yield variance. 14

The standard mix of the product having three materials namely *A*, *B* and *C* is as below :

Material	*Qty.* kg	*Rate* ₹
A	5000	5
B	4000	4
C	3000	3
	12000	
Less : Standard loss 10%	1200	
Standard yield	10800	

The actual mix of the product shown in cost card as below :

Material	*Qty.* kg	*Rate* ₹
A	3000	5
B	6000	4
C	4000	3
Total	13000	

The actual yield of mix was 10800 kg.

5. *(a)* What are the different classifications of budget? What are the advantages and disadvantages of Zero-Base Budgeting? 6+4+4=14

Or

(b) The budgeted expenses for the production of 10000 units in a factory are furnished below :

Particulars	*Per unit* ₹
Materials	70
Labour	25
Variable overheads	10
Fixed overhead (₹ 1,00,000)	10
Direct variable overhead	13

Particulars	*Per unit* ₹
Selling expenses (15% fixed)	7
Distribution expenses (20% fixed)	5
Administrative expenses (₹ 50,000)	5
	145

Prepare a budget for the production of 8000 units and 15000 units. 14

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