

2023

(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) Distinguish between Financial Accounting and Cost Accounting. Explain scope of Cost Accounting.

10+4=14

Or

- (b) From the following information, prepare reconciliation statement :

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	₹
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 is labour turnover? Explain the causes and effects of labour turnover.

2+(6+6)=14

Or

- (b) The following particulars are related to a manufacturing company which has three production departments—A, B and C and two service departments—X and Y:

Production departments :

A : ₹ 2,000

B : ₹ 1,500

C : ₹ 1,000

Service departments :

X : ₹ 500

Y : ₹ 400

The service department expenses are charged on the percentage basis as follows :

Service departments	Production departments			Service departments	
	A	B	C	X	Y
X	20%	30%	40%	—	10%
Y	30%	30%	20%	20%	—

Prepare a statement showing the distribution of the two service departments expenses to three production departments under repeated distribution method.

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3. (a) Alpha Construction Co. Ltd. commenced its business on 1st January, 2018. The following data has been extracted from its books in relation to a contract :

	₹
Cash received from contractee	1,20,000
Materials	40,000
Direct labour	55,000
Expenses at site	2,000
Plant and equipments (at cost)	30,000
Fuel and power	2,500

The contract price was ₹ 3,00,000 and the work certified ₹ 1,50,000. The work completed since certification had been estimated at ₹ 1,000 (at cost). Machinery costing ₹ 2,000 was returned to stores at the end of the year. Stock of materials at site on 31.12.2018 was worth ₹ 5,000 and wages outstanding were ₹ 200. Depreciation on machinery was to be charged at 10%. Prepare contract A/c.

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Or

- (b) A product passes through three processes to completion. In January 2021, the costs of production were as given below :

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

1000 units of materials were issued to Process—I at ₹ 5 P.U.

Prepare Process—I, Process—II and Process—III Accounts. 6+4+4=14

4. (a) The following information is obtained from ABC Ltd. for the year 2020 :

	₹
Sales	6,00,000
Variable cost	3,00,000
Fixed cost	1,50,000

You are required to calculate the—

- (i) P/V ratio, break-even point and margin of safety at this level;
- (ii) effect of 10% decrease in sale price on P/V ratio, break-even point and margin of safety. 7+7=14

Or

(b) What is standard costing? What are the advantages and disadvantages of standard costing? $2+6+6=14$

5. (a) Distinguish between fixed budget and flexible budget. What are the advantages of responsibility accounting? $9+5=14$

Or

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

<i>Particulars</i>	<i>Per unit (₹)</i>
Materials	70
Labour	25
Variable overheads	10
Fixed overhead (₹ 1,00,000)	10
Direct variable overhead	13
Selling expenses (15% fixed)	7
Distribution expenses (20% fixed)	5
Administrative expenses (₹ 50,000)	5
	<u>145</u>

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

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