



V SEMESTER BCOM EXAMINATION – MARCH / APRIL – 2022

SCHEME – SEMESTER – CBCS

193

ADVANCE COST AND MANAGEMENT ACCOUNTING - I

Time: 03 Hours

Max Marks: 80

Instructions to Candidates: Answer all parts. Case Study is Compulsory.

PART – A

Answer any **FOUR** of the following. Each Question carries 5 Marks: 4x5=20

1. Write a note on Joint Products and By Products.
2. Write a note on (GACAP) Generally Accepted Cost Accounting Principles.
3. Name the Appropriate methods of costing for the following concerns.
 - a) Oil Refinery
 - b) Cinema Theatre
 - c) Construction Company
 - d) Transportation Company
 - e) Motor Vehicle Industry
4. State any 5 difference between ABC and Traditional costing.
5. Write a note on Inter process profits.
6. Explain escalation clause.

PART – B

Answer any **TWO** of the following. Each Question carries 10 Marks: 2x10=20

7. Distinguish between Process Costing and Job Costing.
8. What is Operating Costing? Explain the objectives of Transport costing.
9. A construction Co. undertook a contract for Rs. 37,50,000. The following informations are provided:

Materials returned to stores	70,000
Wages paid	6,00,000
Out standing wages	80,000
Materials at site on 31 st March (year ending)	2,00,000

PTO



Materials issued	9,00,000
Engineer fees	25,000
Plant issued	4,00,000
Other Expenses	50,000

The contract was completed on 31st March & the contract price was duly received. Plant is to be depreciated @ 12% p.a. Prepare contract account and contractee account.

10 From the following information prepare a Reconciliation statement.

1. Net profits as per costing books	3,22,400
2. Net profits as per financial books	2,07,500
3. Works o/h under recovered in cost books	6,240
4. Over recovery of office expenses in cost books	5,400
5. Depreciation charged in financial accounts	22,400
6. Depreciation charged in cost A/c's	30,000
7. Interest on Income not considered in cost books	20,000
8. Loss taken in Financial Accounts	11,400
9. IT paid in Financial Accounts	82,000
10. Bank interest and dividend received	3,550

PART - C

Answer any TWO of the following. Each Question carries 15 Marks: 2x15=30

11. What is contract costing? Explain its features. How do you treat the profit or loss on incomplete contract?
12. A product passes through 3 process namely A, B and C. 12000 units were introduced to process A @ Rs 12 per unit. The following are the other expenses:

Particulars	Process		
	A	B	C
Direct Materials	22,500	13,500	15,000
Direct Labour	80,000	1,25,000	1,00,000
Factory Expenses	15,000	12,250	32,500
Normal Wastage	3%	5%	8%
Output in units	11,500	10,650	10,000

PTO



The Wastage of process 'A' has been sold @ ₹ 2.50 per unit, 'B' process has been sold @ ₹ 6/unit and that of C process is sold at ₹ 11/unit.

Prepare process accounts, abnormal loss and gain account.

13. Manujunath Transport Co. is running 12 buses between 2 places 200 km apart. The seating capacity of each bus is 50 passengers. The following particulars are taken from the company's books of accounts for the month of Dec. 2019.

1. Wages of Drivers, Conductors and Cleaners	3,00,000
2. Salary of supervisor & office staff	2,00,000
3. Diesel oil etc.	6,00,000
4. Repair & Maintenance	1,00,000
5. Tax & Insurance	1,50,000
6. Depreciation	2,50,000
7. Interest & other charges	2,50,000

Actual passengers carried were 90% of the capacity. The buses ran on all days of the month each bus made a trip a day. Find out the cost per passenger, per km.

14. The following particulars related to a contract of ₹ 1,20,00,000

Particulars	2017	2018	2019
Materials	9,60,000	21,00,000	18,20,000
Direct Wages	13,00,000	18,00,000	15,00,000
Direct Expenses	40,000	1,00,000	15,000
Indirect Expenses	25,000	25,000	5,000
Carriage	50,000	1,80,000	1,50,000
Material at site (31 Dec.)	10,000	20,000	22,000
Work certified	27,00,000	90,00,000	1,20,00,000
Work uncertified	30,000	1,60,000	Nil

Plant costing ₹ 2,50,000 was introduced in the beginning and depreciation was charged at 20% p.a on fixed cost method. 80% of the work certified was received in cash except in the year of 2019.

Prepare contract and contractee's account.



PART – D

15. Case Study. Compulsory.

10

JPJ company is an old organization doing business from past 10 years. The activities of the company have been growing year by year with increase in sales & profits. As the activities of the company started growing the stake holders of the company also started showing more interest in the company and expected transparency in financial as well as cost accounting information. But for the surprise of the stake holders the company had followed the accounting standards in maintaining financial accounts. Whereas the cost accounting standards (GACAPS) were not followed in maintaining cost accounts as they considered it as not important.

Analysing the above case, do you feel the company has to adopt GACAPS? If so give reasons.

** *** **