



Shiksha Mandal, Wardha's  
**G. S. College of Commerce & Economics, Nagpur**

An Autonomous Institution

(Affiliated to Rashtrasant Tukadoji Maharaj Nagpur University)

Second Semester Master of Commerce Examination (CBCS)

**ADVANCED COST ACCOUNTING**

(MCC 2.2)

Time: 3 Hours

Maximum Marks: 80

Note: All Questions are compulsory.

Q.1 A) An Engineering Company, engaged in the manufacture of various heavy engineering products, has installed one Pegard Numerical Control Horizontal Borer for specialized manufacturing operations. Calculate the Machine Hour Rate on the basis of the following particulars:

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- i) Cost of machine ₹ 24 lakhs
  - ii) Customs duty, insurance freight etc. ₹ 11 lakhs
  - iii) Installation expenses ₹ 3 lakhs
  - iv) Cost of tools adequate for 2 years only, ₹ 4 lakhs
  - v) Cost of machine room ₹ 3 lakhs
  - vi) Cost of air conditioning for the machine room, ₹ 2 lakhs
  - vii) Rate of interest on term – loan to finance the above capital expenditure 12% per annum
  - viii) Salaries etc. for the operations and supervisory staff, ₹ 2 lakhs per year
  - ix) Cost of electricity ₹ 11 per hour
  - x) Consumption of the stores ₹ 5000 per month
  - xi) Other expenses ₹ 5 lakhs per annum
  - xii) Assume rate of depreciation 10% per annum on fixed assets.
  - xiii) Total working Hours in the machine room 200 hours in a month
  - xiv) Loading and unloading time is 10% of machining time
- You can make suitable assumptions if necessary for the purpose of your computation.

OR

B) A manufacturing company uses two identical large and four identical small machines. Each large machine occupies one quarter of the workshop and fully employs three workers, each small machine occupies half the space of a large machine and fully employs two workers. The workers are paid by piece work.

Each of the six machines is estimated to work 1,440 hours per year, while the effective working life is taken as 12,000 working hours for each large machine and 9,000 working hours for each small machine. Large machines cost ₹ 20,000 each and small machines ₹ 4,000 each. Scrap values are ₹ 4,000 and ₹ 100 respectively.

Repairs, maintenance and oil are estimated to cost for each large machine ₹ 6,000 and for each small machine ₹ 1,800 during its effective life.

Power consumption costs 5 paise per unit and amounts for a large machine to 20 units per hour and for small machine to 2 units per hour. The manager is paid ₹ 4,800 a year and workshop supervision occupies half of his time, which is divided equally among the six machines. Details of other expenses are:

Rent and rates of workshop: ₹ 3,200 a year

Lighting (total apportioned in the ratio of workers employed): ₹ 1,820 a year

Taking a period of three months as a basis, calculate the machine hour rate for large machine and small machine.

- Q.2 A) From the following information given by a manufacturing company which manufactures a product. You are required to prepare process accounts. 10

	Process I (₹)	Process II (₹)	Process III (₹)
Direct Materials	30,000	7,500	7,500
Direct Wages	22,500	15,000	15,000
Closing Stock	7,500	8,750	21,300

Finished Goods is sold for ₹ 1,30,000. Value of closing finished stock is ₹ 5,112. It is the policy of the company to charge 20% on transfer price or 25% on cost price while transferring the goods from Process I to II and 20% on cost price from II to III and from III to finished stock.

OR

- B) Mody Ltd. Produces a patent material used in building, in the manufacture of which three processes are involved. The material is produced in three consecutive grades, namely, soft, medium and hard. Figures relating to production for the first six months of 2003 are as follows:

	Process 1	Process 2	Process 3
Raw material used (Tons)	1,000	-	-
Cost of materials per ton (₹)	200	-	-
Manufacturing wages and expenses (₹)	72,500	40,800	10,710
Weight lost	5%	10%	20%
Scrap (sold at ₹ 50 per ton)	50 tons	30 tons	51 tons
The product is dealt with as follows:			
Transferred to next process	66 <sup>2</sup> / <sub>3</sub> %	50%	-
Transferred to warehouse for sale	33 <sup>1</sup> / <sub>3</sub> %	50%	100%

You are required to prepare an account for each process, showing the cost per ton of each process.

- Q.3 A) From the following data relating to two different vehicles; compute the cost per running kilometer: 10

	Vehicle EB – 6	Vehicle WB – 10
Annual kilometers run	15,000	6,000
Cost of vehicles	₹ 25,000	₹ 15,000
Annual License fee	₹ 750	₹ 75
Insurance p.a.	₹ 700	₹ 400
Garage rent p.a.	₹ 600	₹ 500
Supervision charges p.a.	₹ 1,200	₹ 1,200
Driver's wages per hour	₹ 3	₹ 3
Cost of petrol per liter	₹ 3	₹ 3
Kilometer run per liter	20 kms	15 kms
Repairs and maintenance per km	₹ 1.65	₹ 2.00
Tyre allocation per kilometer	₹ 0.80	₹ 0.60
Life of vehicles	1,00,000 kms	75,000 kms

You may charge interest on cost of vehicles @5% p.a. The vehicles run 20 kilometers per Hour on Average.

OR

B) Grand Hotel, Kanpur presents the following information:

1. Staff salaries ₹ 60,000 p.a.
  2. Room attendants' salary - one attendant for one room. The salary is paid on daily basis @ ₹ 3 per day. Services of room attendants are needed only when a room is occupied.
  3. Lighting - ₹ 60 per month of a room if the room is occupied for the whole month.
  4. Heating and power - only in winter and normal charge per month, if occupied, for a room is ₹ 15.
  5. Linen etc. ₹ 4,800 p.a.
  6. Repairs to building ₹ 12,000 p.a.
  7. Sundries ₹ 7,200 p.a.
  8. Interior decoration ₹ 8,000 p.a.
  9. Cost of building ₹ 6,00,000; rate of depreciation 4 %
  10. Other equipments ₹ 1,00,000; rate of depreciation 8%
  11. Interest on capital invested may be charged @ 5% p.a.
- There are 60 rooms in the hotel and 90% of the rooms are normally occupied in summer and 40% of the rooms are engaged in winter. The following assumption may be made:
- a) The period of summer and winter is six month each.
  - b) Normal days in a month are 30.
  - c) Hotel manager is wishing to earn a profit of 25% on cost other than interest.
- Find out the rent per room per day which should be charged from the customers.

Q.4 A) Given following is the summarized Trading and Profit and Loss Account of M/s Zivago Manufacturing Co. Ltd, for the year ended 31<sup>st</sup> Dec 2004. 10

Trading and Profit and Loss Account  
(For the year ending 31<sup>st</sup> Dec. 2004)

	₹			₹
To wages	75,500	By sales (6000 units)		3,00,000
To material used	1,37,000	By finished stock (200 units)		8,000
To factory expenses	41,500	By work-in-progress:		
To expenses on administration	19,120	Materials	3,200	
To selling expenses	22,500	Wages	1,800	
To goodwill written off	1,000	Other expenses in factory	<u>1,000</u>	6,000
To preliminary expenses written off	2,000	By dividends received		900
To net profit	16,280			
	<u>3,14,900</u>			<u>3,14,900</u>

In the cost accounting

- 1) Factory expenses have been allocated to the production at 20% on prime cost.
- 2) Expenses of administration at ₹ 3 per unit produced.
- 3) ₹ 4 per unit sold for selling expenses.

Prepare costing Profit and Loss Accounts of the company and reconcile the profits disclosed by cost accounts and those shown by financial account.

OR

- B) The net profit shown by Financial Accounts of X Ltd. Amounted to ₹ 37,100, while the profit disclosed by Cost Accounts were ₹ 57,320. On reconciliation of the figures, the following differences were noted:
- i) Director's fees not charged in Cost Account ₹ 1,300.
  - ii) A provision for bad and doubtful debts not charged in Cost Accounts ₹ 1,140.
  - iii) Income Tax paid shown only in Financial Accounts ₹ 16,600.
  - iv) Overheads in Cost Accounts were estimated at ₹ 17,000. The charge shown by financial books was ₹ 16,640.
  - v) Work was started during the year on a new factory and expenditure of ₹ 16,000 was incurred. Depreciation of 10% was provided in financial accounts.
  - vi) Bank interest received ₹ 60.

Prepare Reconciliation Statement.

- Q.5 Answer the following questions in about 75-100 words: (Any Two) 08
- A) What are the principal factors to be considered when fixing a machine hour rate?
  - B) Explain methods of allocating expenses in machine hour rate.
  - C) Define machine hour rate and discuss its advantages over other method.
- Q.6 Answer the following questions in about 75-100 words: (Any Two) 08
- A) Distinguish between joint products and by-products.
  - B) What do you mean by equivalent production? How it is computed?
  - C) What would you understand by normal and abnormal waste of materials during process of manufacture?
- Q.7 Answer the following questions in about 75-100 words: (Any Two) 08
- A) Draw up a proforma of cost-sheet for such a company showing distinctly the operational and maintenance cost.
  - B) What statistics should a transport operating company keep in respect of each vehicle to get correct operational and maintenance cost.
  - C) Explain essential of operating costing.
- Q.8 Answer the following questions in about 75-100 words: (Any Two) 08
- A) Why it is necessary to reconcile the profits between Cost Accounting and Financial Accounting.
  - B) State the reasons for the difference between the profits shown in the cost accounts and those shown in the financial accounts of an industrial organization.
  - C) What do you know about Reconciliation Statement in Cost Account?
- Q.9 Answer the following questions in about 3-4 sentences. 08
- A) Write the importance of machine hour rate.
  - B) What do you understand by process costing?
  - C) In which type of business operating costing applicable?
  - D) Why should cost & financial accounts be reconciled?

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Roll No.: 

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GSCN/S-2019/SEM-II/MCC 2.2



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Maximum Marks: 80

मराठी माध्यम

प्रश्न क्र. १,२,३, आणि ४ इंग्रजी माध्यमानुसार.

- प्र. ५ खालील पैकी कोणत्याही दोन प्रश्नांचे उत्तर ७५ ते १०० शब्दांत लिहा. 08  
अ)यंत्र तास दर काढतांना कोणत्या मुख्य घटकांचा विचार केल्या जातो?  
ब)यंत्र तास दर काढतांना खर्च विभाजनाच्या पध्दती स्पष्ट करा?  
क)यंत्र तास दर म्हणजे काय? अन्य पध्दतीपेक्षा या पध्दतीचे फायदे लिहा.
- प्र. ६ खालील पैकी कोणत्याही दोन प्रश्नांचे उत्तर ७५ ते १०० शब्दांत लिहा. 08  
अ)संयुक्त उत्पादन आणि उपउत्पादन यातील फरक लिहा.  
ब)समतुल्य उत्पादन म्हणजे काय? त्याचे आगणन कशा प्रकारे करतात?  
क)निर्माणी प्रक्रियेतील सामान्य हानी आणि असामान्य हानी म्हणजे काय?
- प्र. ७ खालील पैकी कोणत्याही दोन प्रश्नांचे उत्तर ७५ ते १०० शब्दांत लिहा. 08  
अ)संचालन आणि देखरेख खर्चाचे विभाजन दर्शविणारे परिव्यय पत्रकाचा नमुना तयार करा.  
ब)संचालन आणि देखरेख खर्चाचे अचूक मुल्यांकन करण्याकरिता प्रत्येक वाहनाकरिता वाहतूक कंपनी कोणत्या पध्दतीचा उपयोग करतात?  
क)परिचालन परिव्ययाची आवश्यकता स्पष्ट करा.
- प्र. ८ खालील पैकी कोणत्याही दोन प्रश्नांचे उत्तर ७५ ते १०० शब्दांत लिहा. 08  
अ)परिव्यय लेखांकन आणि वित्तीय लेखांकनाच्या लाभामध्ये समाधान करण्याची आवश्यकता का आहे?  
ब)औद्योगिक उपक्रमामध्ये परिव्यय लेखाच्या आणि वित्तीय लेखाच्या लाभामध्ये अंतर पडण्याची कारणे लिहा.  
क)परिव्यय लेखांमध्ये लाभाचे समाधान विवरण म्हणजे काय?
- प्र. ९ खालील प्रश्नांचे उत्तर ३ -४ वाक्यात लिहा. 08  
अ)यंत्र तास दराचे महत्व लिहा.  
ब)विधा परिव्यय म्हणजे काय?  
क)परिचालन परिव्यय कोणत्या प्रकारच्या व्यवसायात उपयुक्त आहे?  
ड)परिव्यय आणि वित्तीय लेखांच्या लाभाचे समाधान करण्याची गरज का आहे?

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हिंदी माध्यम

सूचना:- प्रश्न १,२,३ और ४ अंग्रेजी माध्यम के अनुसार

- प्र. ५ निम्नलिखित प्रश्नों के उत्तर ७५ से १०० शब्दों में लिखिए: (कोई भी दो) 08
- अ) यंत्र घंटा दर निकालते समय कौनसे मुख्य घटकोंका विचार किया जाता है?
- ब) यंत्र घंटा दर निकालते समय व्यय विभाजन की पद्धतियाँ स्पष्ट कीजिए
- क) यंत्र घंटा दर का अर्थ स्पष्ट कीजिए। अन्य पद्धति से इस पद्धति में कौनसे गुण है लिखिए।
- प्र. ६ निम्नलिखित प्रश्नों के उत्तर ७५ से १०० शब्दों में लिखिए: (कोई भी दो) 08
- अ) सयुंक्त उत्पादन तथा उपउत्पादन में अंतर स्पष्ट कीजिए।
- ब) समतुल्य उत्पादन का अर्थ लिखिए। इसका आगणन कैसे करते हैं?
- क) निर्माणी प्रक्रिया में सामान्य हानि तथा असामान्य हानि में अंतर स्पष्ट कीजिए।
- प्र. ७ निम्नलिखित प्रश्नों के उत्तर ७५ से १०० शब्दों में लिखिए: (कोई भी दो) 08
- अ) संचालन तथा देखभाल व्यय का विभाजन दर्शानेवाले परिव्यय पत्रक का नमूना तैयार कीजिए।
- ब) संचालन तथा देखभाल व्ययका मूल्यांकन करने के लिए प्रत्येक वाहन के लिए वाहतुक (transport) कंपनी कौनसे पद्धति का उपयोग करती है?
- क) संचालन परिव्यय की आवश्यकता स्पष्ट कीजिए।
- प्र. ८ निम्नलिखित प्रश्नों के उत्तर ७५ से १०० शब्दों में लिखिए: (कोई भी दो) 08
- अ) परिव्यय लेखांकन तथा वित्तीय लेखांकन के लाभ में समाधान करने की आवश्यकता क्यों है?
- ब) औद्योगिक उपक्रम में परिव्यय लेखे के तथा वित्तीय लेखे के लाभ में अंतर आने के कारण लिखिए।
- क) परिव्यय लेखे में लाभ का समाधान विवरण का अर्थ स्पष्ट कीजिए।
- प्र. ९ निम्नलिखित प्रश्नों के उत्तर तीन से चार पंक्तियों में लिखिए। 08
- अ) यंत्र घंटा दर का महत्व लिखिए।
- ब) विधा परिव्यय का अर्थ स्पष्ट कीजिए।
- क) परिचालन परिव्यय कौनसे प्रकार के व्यवसाय में उपयुक्त है?
- ड) परिव्यय तथा वित्तीय लेखे के लाभ में समाधान करने की आवश्यकता क्यों है?

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