

Section A

Answer any 2 of the following

2x6=12

1. The output of Process X is 10,000 units. 800 units are considered as abnormal loss. Normal loss is allowed at 10%. From the following information, prepare Process X Account.

Material at Rs 40 per unit

Wages Rs 32,000

Overheads Rs 26,800

Wastage realized Rs 10 per unit

2. Distinguish between 'Joint products' and 'By products'.
3. Sumukhatransport company has 10 trucks, each with capacity of 4 tons. Each truck makes 3 round trips a day between 2 places, 40 kms apart. In the onward journey full load of bricks and in the return journey on an average 20% of capacity filled. Trucks are laid down for repairs for 5 days in a month consisting of 30 days. Calculate total ton kms.

Section B

Answer any 2 of the following

2x12=24

4. The following details are extracted from the costing records of an oil mill for the month of March 2020. Purchase of 500 tons of copra costing Rs 2,00,000.

	Crushing (Rs)	Refining (Rs)	Finishing (Rs)
Labour	2,500	1,000	1,500
Power	600	360	240
Other materials	100	2,000	---
Repairs	280	330	140
Steam	600	450	450
Other expenses	1,320	660	220
Cost of drums	--	--	7,500
Sacks sold	400	--	---
Production (ton)	300	250	248

175 tons of Copra residues sold for Rs 11,000. Loss in weight in crushing process is 25 tons. 45 tons of by- products got in refining process valued at Rs 6,750.

Prepare process accounts.

5. Product P yields by product Q and R. The joint expenses of manufacture are:

Materials Rs 10,000

Labour Rs 8,000

Other cost Rs 9,000

	P (Rs)	Q (Rs)	R (Rs)
Materials	2,000	1,600	1,800
Labour	2,400	1,400	1,700
Other cost	2,600	1,000	1,500
Sales	42,000	20,000	18,000
Estimated profit on sales	50%	50%	33.33%

Show how you would apportion the joint expenses of manufacture and also prepare necessary accounts.

6. In processing 10,000 kgs of Material 'X' gives out 7,000 kgs of 'A' and 3,000 kgs of 'B'. The joint cost is Rs 11,500. From the following data show the apportionment of joint cost and profit of each product on the assumption that the joint expenses are sold after further processing and joint costs are apportioned in the ratio of sales value at split off point.

	A (Rs)	B (Rs)
Selling price at split off point	2.00	3.00
Further processing cost after separation	2,000	1,000
Selling price after further processing	3.00	4.50

Section C

Answer any 1 of the following

1x24=24

7. The product of a company passes through three distinct process to completion. From past experience it is ascertained that wastage is incurred in each process under.

Process A-2%, Process B-5%, Process C-10%. The wastage of Process A and B is sold at Rs 40 per 100 units and that of Process C at Rs 320 per 100 units. The following are the information regarding the production in March 2020.

	Process A (Rs)	Process B (Rs)	Process C (Rs)
Materials	48,000	32,000	16,000
Direct labour	64,000	48,000	24,000
Machine expenses	8,000	8,000	12,000
Factory expenses	14,000	15,200	16,800

20,000 units have been issued to Process A at a cost of Rs 80,000.

The output of each process has been as under.

Process A -19,500 units

Process B - 18,800 units

Process C – 16,000 units.

There were no stocks in any process in the beginning and at the end of March. Prepare Process Cost A/cs , Abnormal loss A/c and Abnormal gain A/c if it arises in any process.

8. Navashravya Transport has been given a permit to run a bus between two towns which are 50 kms apart. From the following information, assuming 15% profit on takings workout the bus fare to be charged to each passenger in between the two towns.

	Rs
Cost of the bus	15,00,000
Annual tax	72,000
Diesel-for 100 kms	7,000
Other expenses per month	8,000
Garage rent per month	15,000
Repair charges per month	20,000
Insurance per annum	36,000
Tyre and tubes per month	6,000
Depreciation @12% per annum	
Salary of the driver per month	15,000
Salary of the conductor per month	10,000
Salary of the accountant per month	12,000
Permit fees per month	3,600

Commission to driver and conductor @ 5% of the takings. The bus will make two round trips every day.

The seating capacity of the bus is 40 passengers. On outward journey 80% of the seats are occupied and on return journey, 75% of the seats are occupied. The bus will operate for 30 days during the month.

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