

CMA	CA R. K. Mehta
<b>Test - 12</b>	
<b>Time Allowed : 1 hour 30 Min.</b>	<b>Total Marks: 50 Marks</b>

**Q.1:** Explain Quality Control Cost. (5 Marks)

**Q.2:** Explain Absolute and Commercial Tonne - kms. (5 Marks)

**Q.3:** A Mineral is transported from two mines – ‘A’ and ‘B’ and unloaded at plots in a Railway Station. Mine A is at a distance of 10 kilometers and B is at a distance of 15 kilometers from rail head plots. A fleet of lorries of 5 tonne carrying capacity is used for the transport of mineral from the mines. Records reveal that the lorries average a speed of 30 kilometers per hour, when running and regularly take 10 minutes to unload at the railhead. At mine ‘A’ loading time averages 30 minutes per load while at mine ‘B’ loading time averages 20 minutes per load.

Drivers’ wages, depreciation, insurance and taxes are found cost ₹ 9 per hour operated. Fuel, oil, tyres, repairs and maintenance cost ₹1.20 per km. **Required** : - Draw up a statement, showing the cost per tone-kilometer of carrying mineral from each mine. (5 Marks)

**Q.4:** A company produces a machine and sells it for ₹ 3,000. There is an increase of 20% in the cost of material, 10% in labour, and 10% in overhead cost. The only figures available are that material cost is 50% of cost of sales, labour cost is 30% of cost of sales and overhead cost is 20% of cost of sales. The anticipated increased cost in relation to the present sales price would cause a 30% decrease in the amount of the present profit. **What** would be the selling price of the machine to give the same percentage of profit as before? (5 Marks)

**Q.5:** A transport company has been given a 40 kilometre long route to run 5 buses. The cost of each bus is ₹ 6,50,000. The buses will make 3 round trips per day carrying on an average 80 percent passenger of their seating capacity. The seating capacity of each bus is 40 passengers. The buses will run on an average 25 days in a month. The **other information** for the year 2015-15 are given below:

Garage rent - ₹ 4,000 per month	Other expenses - ₹ 2,000 per month
Variable annual repairs - ₹ 22,500 each bus	Cost of diesel per litre - ₹ 33
Salaries of 5 drivers - ₹ 3,000 each per month	Kilometre run per litre - 6 kilometres
Wages of conductors - ₹ 1,200 each per month	Annual depreciation - 15% of cost
Manager’s salary - ₹ 7,500 per month	Annual Insurance - 3% of cost
Permit fee, etc. - ₹ 5,000 for a quarter	

You are **required** to calculate the bus fare to be charged from each passenger per km if the company wants to earn profit of  $33\frac{1}{3}\%$  on taking (total receipts from passengers). **Prepare** operating cost statement on annual basis. (10 Marks)

**Q.6:** A company runs a holiday home. For this purpose, it has hired a building at a rent of ₹ 10,000 per month along-with 5% of total takings. It has three types of suites for its customers, viz., single room, double rooms and triple rooms. Following **information** is given:-

Types of suite	Single Room	Double Room	Triple Room
<b>Number</b>	100	50	30
<b>Occupancy percentage</b>	100%	80%	60%

The rent of double room’s suites is to be fixed at 2.5 times of the single room suite and that of triple rooms suite as twice of the double rooms suites. The **other expenses** for the year 2014 are as follows:

Staff salaries - ₹ 14,25,000	Laundry charges - ₹ 80,500
Room attendants’ wages - ₹ 4,50,000	Interior decoration - ₹ 74,000
Lighting, heating and power - ₹ 2,15,000	Sundries - ₹ 1,53,000
Repairs and renovation - ₹ 1,23,500	

Provided profit @ 20% on total taking and assume 360 days in a year. You are required to **calculate** the rent be charged for each type of suite. (10 Marks)

**Q.7:** A manufacturing company has an installed capacity of 1,50,000 units per annum. Its cost structure is given below :-

Particulars	Amount (₹)
Variable cost per unit - Materials	10
- Labour (subject to a minimum ₹ 1,00,000 per month)	10
- Overheads	4
Fixed overhead per annum	1,92,300
Semi - variable overheads per annum at 75% capacity (it will increase by ₹ 4,000 per annum for increase of every 5% of the capacity utilization or any part thereof)	60,000

The capacity utilization for the next year is budgeted at 75% for the first three months, 80% for the next six months and 90% for the remaining three months. You are **required** to calculate the selling price per unit for the next year, if the company is planning to have a profit of 20% on the selling price. **(10 Marks)**

**Q.8:** The Trading and Profit and Loss Account of a Company for the year ended 31.03.2018 is as under:

Particulars	Amount (₹)	Particulars	Amount (₹)
To Materials	26,80,000	By Sales (50,000 units)	62,00,000
To Wages	17,80,000	By Closing Stock (2,000 units)	1,50,000
To Factory Expenses	9,50,000	By Dividend Received	20,000
To Administration Expenses(Production)	4,80,200		
To Selling Expenses	2,50,000		
To Preliminary Expenses written off	50,000		
To Net Profit	1,79,800		
	<b>63,70,000</b>		<b>63,70,000</b>

In the Cost Accounts:

- (a) Factory Expenses have been allocated to production at 20% of Prime Cost,
- (b) Production related Administration Expenses absorbed at 10% of Factory Cost.
- (c) Selling Expenses are charged at ₹10 per unit sold.

Prepare the Costing Profit and Loss Account of the Company and reconcile the Profit/Loss with the profit as shown in the Financial Accounts. **(10 Marks)**