

Cost & Management Accounting	CA R. K. Mehta
------------------------------	----------------

Test - 13

Time Allowed : 1 hour 30 Min.	Total Marks: 50 Marks
-------------------------------	-----------------------

Q.1: What are the advantages of study of Standard Costing? (5 Marks)

Q.2: What are the Pre - requisites of Integrated Accounting System? (5 Marks)

Q.3: The following discrepancies have been observed between book stock and physical stock in the course of annual stock taking.

Product	Stores Ledger (Units)	Physical Count (Units)	Cost per unit (₹)
A	800	770	30
B	560	570	20

Pass necessary journal entries to record the above situation under different circumstances. (5 Marks)

Q.4: X Limited had budgeted the following sales for the month of august, 2012: -

Product A : 800 units @ ₹ 100 per unit	Product B : 700 units @ ₹ 200 per unit
---	---

The **actual sales** for the month were as follows: -

Product A : 900 units @ ₹ 100 per unit	Product B : 800 units @ ₹ 180 per unit
---	---

The cost per unit of products 'A' and 'B' be ₹ 80 and ₹ 170 respectively. You are **required** to compute the different Profit variances. (5 Marks)

Q.5: 100 skilled workmen, 40 semi-skilled workmen and 60 unskilled workmen were to work for 30 hours to get a contract job completed. The standard hourly wages were ₹ 60, ₹ 36 and ₹ 24 respectively. The job was completed in 32 hours by 80 skilled, 50 semi-skilled and 70 unskilled workmen who were paid ₹ 65, ₹ 40 and ₹ 20 respectively as hourly wages. **Find out** the labour cost variance, labour rate variance, labour mix variance and labour efficiency variance.

(10 Marks)

Q.6: Following **information** has been extracted from the cost records of XYZ Limited: -

Stores:	Opening balance - ₹ 54,000 Purchases - ₹ 2,88,000 Transfer form WIP - ₹ 1,44,000	Issue to WIP - ₹ 2,88,000 Issue for repairs - ₹ 36,000 Deficiency found in stock - ₹ 10,800
Work-in-Progress:	Opening balance - ₹ 1,08,000 Direct wages applied - ₹ 1,08,000	Overheads recovered - ₹ 4,32,000 Closing balance - ₹ 72,000
Other Details	Wages paid (Total) - ₹ 1,26,000 Overheads incurred - ₹ 4,50,000	Entire production is sold at a profit of 15% on cost at WIP

Draw the Stores Ledger Control A/c, Work-in-Progress Control A/c, Overheads Control A/c and Costing Profit and Loss A/c. (10 Marks)

[P.T.O.]

Q.7: The following information have been extracted from the Cost Records of JKL Manufacturing Company Limited: -

Particulars	Amount (₹)
<u>Stores:</u>	
Opening Balance	90,000
Purchases	4,80,000
Transfer from WIP	2,40,000
Issue to WIP	4,80,000
Issue for Repairs	60,000
Deficiency found in stock (Normal Deficiency)	18,000
<u>Work in Progress:</u>	
Opening Balance	1,80,000
Direct Wages Applied	1,80,000
Works Overheads recovered	7,20,000
Closing Balance	1,20,000
<u>Finished Production:</u>	
Entire Production is sold at a Profit of 10% on Cost from WIP	---
Wages Paid (Total)	2,10,000
Works Overhead Incurred (other than expenses mentioned above)	7,50,000

Prepare Stores Ledger Control A/c, Work-in-Progress Control A/c, Works Overheads Control A/c and Costing Profit & Loss A/c. **(10 Marks)**