

UCCC & SPBCBA & SDHGCBCA & IT

S.Y.B.com Sem. – 4

Advanced Accounting and Auditing Paper – 3

Job Costing:

1. The following details are given for the Job No. 555:
- | | |
|------------------|------------------|
| Direct Materials | Rs 18,000 |
| Direct Labour | Rs 12,000 |
| Work expenses | 50% on labour |
| Other expenses | 50% on work cost |
- The tender price should include 20% profit on selling price, what should be the tender price of the job?
[V.N.S.G.U Mar 2018]

2. Information of Job No. 444 are as under:
Fixed overheads for 20,000 hours Rs 40,000
Direct materials Rs 8000

Dept.	Direct Labour	Variable overheads
A	120 hours, per hour Rs 6	Rs 7500 for 7500 hours
B	80 hours, per hour Rs 4	Rs 4500 for 2250 hours
C	40 hours, per hour Rs 9	Rs 3000 for 750 hours

Determine selling price of the job to earn $33\frac{1}{3}\%$ profit on selling price
[V.N.S.G.U Mar 2012]

3. The following figures relate to two jobs of manufacturing:

Particulars	Job- 1 (Rs)	Job- 2 (Rs)
Direct materials	16,000	20,000
Direct labour	12,000	14,000
Direct expenses	6000	6000

Work overheads are 50% on prime cost and office overheads are 10% on work cost. Find out the total cost of each job.
[V.N.S.G.U April 2017]

4. The following information have been obtained from the costing records of Dhruvi Co. Ltd. in respect of Job No. 444
- | | |
|-----------|-----------|
| Materials | Rs 52,000 |
|-----------|-----------|
- Wages:
Dept. X: 180 hours at Rs 30 per hour
Dept. Y: 120 hours at Rs 50 per hour

Dept. Z: 60 hours at Rs 20 per hour

Variable overheads:

Dept. X: Rs 1,00,000 for 5000 direct labour hours

Dept. Y: Rs 90,000 for 3000 direct labour hours

Dept. Z: Rs 40,000 for 2000 direct labour hours

Fixed overheads:

Estimated Rs 3,00,000 for 10,000 normal working hours.

Calculate the cost of Job No. 444 and also find the price to be charged so as to earn a profit of 25% on selling price.
[V.N.S.G.U March 2011]

5. The following expenses were incurred for a job during the year ended on 31st December 2013:

Direct materials	Rs 5000
Direct wages	Rs 3000
Chargeable expenses	Rs 2000
Factory overhead	Rs 3000
Selling and Distribution overheads	Rs 3000
Administration overheads	Rs 4000

Selling price for the above job was Rs 25,000. You are required to prepare a statement showing the profit earned for the year 2013 from the job and an estimated price of a job which is to be executed in the year 2014. Materials, Wages and Chargeable expenses will be required Rs 8000, Rs 10,000 and Rs 2000 respectively for the job. The various overhead should be recovered on the following basis while calculating the estimated price:

- (a) Factory overhead as a percentage of direct wages.
(b) Administration and selling & distribution overheads as a percentage of factory cost.
Prepare Job Cost sheet for the year 2013 and 2014. *[V.N.S.G.U Oct 2015]*

6. Renuka Limited undertaken to supply 2000 computer components per month for the month of April, May and June. Every month a batch order is opened against which materials and labour cost are booked at actual. Overheads are levied at a rate per labour hour. The selling price is fixed at Rs 15 per month. From the following data, prepare the cost and profit per unit of each batch order and the overall positions of the order for 6000 units.

Month	Batch Output	Materials cost	Labour cost
April	2500 units	Rs 12,500	Rs 5000
May	3000 units	Rs 18,000	Rs 6000
June	2000 units	Rs 10,000	Rs 4000

Labour is paid at the rate of Rs 2 per hour.

Month	Overheads	Total labour hours
April	Rs 24,000	8000
May	Rs 18,000	9000
June	Rs 30,000	10,000

[V.N.S.G.U Oct 2017]

7. The following information regarding Job. No 155 is taken from cost accounts of an engineering factory Bhairav.

(1) Materials Rs 10,000

(2) Labour

Department	Labour hours	Labour per hour (Rs)
A	60	10
B	50	20
C	40	30
D	30	40

- (3) The overhead expenses regarding above four departments are estimated as under:

Department	Variable overheads (Rs)	Labour hours
A	50,000	10,000
B	40,000	8000
C	30,000	6000
D	25,000	5000

- (4) Fixed overheads Rs 1,00,000 for 5000 general working hours.

Calculate total cost of Job No. 155

[V.N.S.G.U Mar 2016]

8. From the records of H & Co. the following budgeted details are available:

Direct wages:

Machine shop (12,000 hours) 75,000

Assembly shop (10,000 hours) 60,000 Rs 1,35,000

Direct Materials: Rs 2,25,000

Work overheads:

Machine shop 95,500

Assembly shop 44,500 Rs 1,40,000

Administrative overheads Rs 1,00,000

Selling and distribution overheads Rs 1,50,000

The company is following absorption method of costing. You are required to prepare:

[1] Schedule of overhead recovery rates from the available information and

[2] Cost estimate of a job on the basis of the following information:

- (A) Materials:
 A 50 kg at Rs 20 per kg
 B 30 kg at Rs 30 per kg
- (B) Labour:
 Machine shop 32 hours
 Assembly shop 48 hours

[V.N.S.G.U Mar 2018]

9. A newly appointed cost accountant has presented the following cost for Job. No 151 to determine selling price:
- | | |
|---|-------------|
| | Rs. |
| Materials | 5500 |
| Direct wages: 180 hours at Rs 20 per hour
(Dept. X 80 hours, Dept. Y 60 hours and
Dept. Z 40 hours) | <u>3600</u> |
| | 9100 |
| Add: 25% for expenses | <u>2275</u> |
| | 11,375 |

Analysis of the Profit and Loss Account for the previous year shows the following:

Particulars	Amt (Rs)	Particulars	Amt (Rs)
Materials used	12,00,000	Sales	20,00,000
Direct wages			
Departments:			
X 80,000			
Y 96,000			
Z <u>64,000</u>	2,40,000		
Overheads (Factory):			
Departments:			
X 40,000			
Y 72,000			
Z <u>16,000</u>	1,28,000		
Gross profit	<u>4,32,000</u>		
	<u>20,00,000</u>		<u>20,00,000</u>
Selling expenses	1,56,800	Gross profit	4,32,000
Net profit	<u>2,75,200</u>		
	<u>4,32,000</u>		4,32,000

It is also noted that average hourly labour rates for the three departments X, Y and Z are similar. You are required to :

- (1) Draw up a job cost sheet
- (2) Calculate revised cost using the actual figures for the previous year as the basis. Calculate selling expenses taking factory cost as basis.
- (3) Add 20% to the total cost to determine the selling price. [V.N.S.G.U Mar 2013]