

CMA	CA R. K. Mehta
<b>Test - 3</b>	
Time Allowed : 50 min.	December 23, 2018
Total Marks: 30 Marks	

**Q.1:** what are the Pre- requisites of integrated accounting system? (5 Marks)

**Q.2:** 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.3:** 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. (10Marks)

**Q.4:** The following figures have been extracted from the cost records of a manufacturing unit: -

Particulars	Particulars
Stores (Opening balance) - ₹ 32,000	Deficiencies found in stock-taking - ₹ 6,000 (Abnormal)
Purchases of material - ₹ 1,58,000	Work-in-progress (Opening balance) - ₹ 60,000
Transfer from work-in-progress - ₹ 80,000	Direct wages - ₹ 65,000
Issues to work-in-progress - ₹ 1,60,000	Overheads recovered - ₹ 2,40,000
Issues to repair and maintenance - ₹ 20,000	Closing balance of WIP - ₹ 45,000

**Finished products:** Entire output is sold at a profit of 10% on cost from work-in-progress.

Total wages incurred ₹ 70,000, Other Works Overheads incurred ₹ 2,50,000.

**Items not included in cost record:** Income from investment ₹ 10,000, Loss on sale of capital assets ₹20,000. **Draw up** Store Control Account, Work-in-progress Control Account, Costing Profit and Loss Account, Profit and Loss Account and Reconciliation Statement. (10 Marks)