

MEPL CLASSES
INTERMEDIATE – COSTING
PROCESS COSTING

(EACH QUESTION CARRIES 5 MARK ATTEMPT ALL QUESTIONS)

(TIME ALLOTTED – 60 MINUTES)

(MARKS ALLOTTED – 20 MARKS)

QUESTION 1

A product passes through Process- I and Process- II. Materials issued to Process- 1 amounted to ₹40,000, Wages 30,000 and manufacturing overheads were 27,000. Normal loss anticipated was 5% of input. 4,750 units of output were produced and transferred-out from Process-I. There were no opening stocks. Input raw material issued to Process I were 5,000 units. Scrap has no realisable value.

You are required to PREPARE Process- I account, value of normal loss and units transferred to Process-II.

QUESTION 2

A product passes through Process- I and Process- II. Materials issued to Process- 1 amounted to ₹40,000, Wages 30,000 and manufacturing overheads were 27,000. Normal loss anticipated was 5% of input. 4,550 units of output were produced and transferred-out from Process-1. There were no opening stocks. Input raw material issued to Process I were 5,000 units. Scrap has realisable value of ₹2 per unit.

You are required to PREPARE Process- I account, value of normal loss, abnormal loss and units transferred to Process-II.

QUESTION 3

A product passes through Process- I and Process- II. Materials issued to Process- 1 amounted to 40,000, Wages 30,000 and manufacturing overheads were 27,000. Normal loss anticipated was 5% of input. 4,850 units of output were produced and transferred-out from Process-I. There were no opening stocks. Input raw material issued to Process I were 5,000 units. Scrap has realisable value of ₹2 per unit.

You are required to PREPARE Process- I account, value of normal loss, abnormal loss/gain and units transferred to Process-II.

QUESTION 4

RST Limited processes Product Z through two distinct processes - Process- I and Process-II. On completion, it is transferred to finished stock. From the following information for the current year, PREPARE Process- I, Process- II and Finished Stock A/c:

Particulars	Process- I	Process- II
Raw materials used	7,500 units	--
Raw materials cost per unit	₹ 60	--
Transfer to next process/finished stock	7,050 units	6,525 units
Normal loss (on inputs)	5%	10%
Direct wages	₹ 1,35,750	₹ 1,29,250
Direct Expenses	60% of Direct wages	65% of Direct wages
Manufacturing overheads	20% of Direct wages	15% of Direct wages
Realisable value of scrap per unit	₹ 12.50	₹ 37.50

6,000 units of finished goods were sold at a profit of 15% on cost. Assume that there was no opening or closing stock of work-in-process