

SRI VENKATESWARA UNIVERSITY:: TIRUPATI

Semester-wise Revised Syllabus under CBCS, 2020-21

Domain Subject: **COMMERCE**

III Year – Semester – V

Common to B.Com General, B.Com CA, B.Com Taxation & B.Com
Computer Applications with Business Analytics & B.A Accountancy

Course 18 A: MANAGEMENT ACCOUNTING AND PRACTICE

(Skill Enhancement Course (Elective), Credits: 04) Max Marks: 75 +25 = 100

I. Learning Outcomes

Upon successful completion of the course the student will be able to

1. Understand the nature and scope of management accounting and differentiate management accounting, financial accounting and cost accounting.
2. Compute ratios and draw inferences
3. Analyze the performance of the organization by preparing funds flow statement and cash flow statements
4. Prepare cash budget, fixed budget and flexible budget.

II. Syllabus : (Total 75hrs (Teaching 60, Training 10, Others 05 including IE etc.)

UNIT I: Introduction

Nature & Scope of Management Accounting – Significance of Management Accounting - Difference between management accounting, financial accounting and Cost accounting (**Theory only**)

UNIT 2: Ratio Analysis

Meaning - Advantages and Limitation of Ratio Analysis – Types of Ratios – Profitability Ratios- Gross Profit Ratio (GPR) – Net Profit Ratio (NPR) – Operating Ratio – Solvency Ratios- Current Ratio – Liquidity Ratio – Debt-Equity Ratio-Turnover Ratios-Fixed Assets Turnover Ratio – Working Capital Turnover Ratio – Debtors Turnover Ratio – Creditors Turnover Ratio - Stock Turn Over Ratio -Calculation and interpretation.(**problems only**)

UNIT 3: Fund Flow Statement Analysis

Meaning and Concept of Working Capital (Fund) – Fund Flow Statement –Meaning and Uses of Funds Flow Statement – Preparation of Funds Flow Statement. (**problems only**)

UNIT 4: Cash Flow Statement Analysis

Meaning and Uses of Cash Flow Statement – Preparation of Cash Flow Statement – Difference between Cash Flow Statement and Funds flow Statement. (**problems only**)

UNIT 5: Budgeting and Budgetary Control

Meaning of Budget – Meaning of Control – Meaning of Budgetary control – objectives of Budgetary control system – Advantages and Limitations of Budgetary control system. Preparation of fixed budget and flexible budgets. (**problems only**)

III. References

1. T.S. Reddy and Dr. Y. Hari Prasad Reddy, Cost Accounting and Management Accounting, Margam Publications.
2. Management Accounting and financial control S.N. Maheswari, Sultan Chand and Sons.
3. Principles of Management Accounting by Manmohan & Goyal, Publisher: PHI Learning
4. Cost and Management Accounting by SP Jain and KL Narang
5. Introduction to Management Accounting – Horn green and undlemPublisher: PHI Learning
6. Cost and Management Accounting by M.N. Arora, Vikas Publishing House PVT ltd.,
7. Management Accounting: Text, Problems & Cases by Khan & Jain, Tata McGraw Hill (TMH)

Web Sources: Web sources suggested by the concerned teacher and college librarian including reading material.

IV. Co-Curricular Activities:

A Mandatory: (*student training by teacher in related real time field skills: total 10 hours*)

1. Teachers: Teacher shall provide students with financial data relating to business organizations and train them (using actual field material) to present such data in a more meaningful manner to facilitate managerial decision making, preparation of various budgets, forecast, analyze, interpret and present such information in different reporting forms.

2. Student: Students shall visit any local company and collect their financial data or from web sources. Differentiate management accounting, financial accounting and cost accounting. Extract the Financial data of any company and Compute Ratios and draw inferences, prepare Cash budgets, Fixed and flexible budgets and submit a brief report after analyzing such data.

3. Max marks for Fieldwork/Project work Report: 05.

4. Suggested Format for Fieldwork/Project work (not more than 10 pages): Title page, student details, contents, objective, step-wise work done, findings, conclusions and acknowledgements.

5. Unit tests (IE).

B. Suggested Co-Curricular Activities

1. Organize short term training on specific technical skills in collaboration with Computer Department or skill training institution (Government or Non-Government Organization).
2. Seminars/Conference/ Workshops on management accountant profession, skills required for Management accountant Professional Development, integration of technical and analytical skills for effective job performance, Ethical behavior of management accountant.
3. On job work with ICMA professional duration of work be decided on the basis of feasibility and opportunity.
4. Interaction with Area Specific Experts.

Programme: Three Year B.Com

Domain Subject: Commerce

Semester-wise Syllabus under CBCS (w.e.f. 2020-21 Admitted Batch)

III Year Common to B.Com General, B.Com CA, B.Com Taxation & B.Com
Computer Applications with Business Analytics & B.A Accountancy

Semester – V

COURSE 18-A : MANAGEMENT ACCOUNTING AND PRACTICE

Model Question Paper 2021-22

Max. Marks 75

Time: 3 hrs

SECTION - A

Answer any FIVE Questions

5×3 = 15 Marks

1. Management Accounting
2. Gross Profit and Net Profit Ratio
3. Calculate the debtors turnover ratio from the following:

₹

Total sales for the year 2021	1,00,000
Cash sales for the year 2021	20,000
Debtors as on 1-1-2021	10,000
Debtors as on 31-12-2021	15,000
Bills receivable as on 1-1-2021	7,500
Bills receivable as on 31-12-2021	12,500

4. Calculate stock turnover ratio from the following:

Trading Account

	₹		₹
Opening stock	40,000	Sales	2,00,000
Purchases	1,00,000	Closing Stock	20,000
Freight	10,000		
Gross Profit	70,000		
	2,20,000		2,20,000

5. Computation of cash from operations

When Profit and Current assets and Liabilities are given From the following data you are required to calculate the cash from operations:

Funds from operations for the year 2021 ₹84,000. Current assets and liabilities as on 1-1-2021 and 31-12-2021 were as follows:

	1-1-2021 ₹	31-12-2021 ₹
Trade Creditors	1,82,000	1,94,000
Trade Debtors	2,75,000	3,15,000
Bills receivable	40,000	35,000
Bills payable	27,000	31,000

6. Write a proforma of funds flow statement.
7. Cash flow from Financing and investing activities
8. Working Capital

9. Calculate cash from business operations from the following Profit and Loss A/c.

	₹		₹
To Expenses paid	3,00,000	By Gross Profit b/d	4,50,000
“ Depreciation	70,000	“ Profit on sale of land	50,000
“ Loss on sale of machine	4,000	“ Dividends received	4,000
“ Discount	200	“ Interest on Investments	6,000
“ Goodwill written off	20,000		
“ Net profit	1,15,800		
	5,10,000		5,10,000

10. Fixed and Flexible budgets

Section - B

Answer any Five Questions

(5 × 12 = 60 Marks)

11. Describe the Nature and Scope of Management

12. Distinguish between Cost Accounting and Management Accounting

13. Following is the Profit and Loss A/c of a company for the year ending 31-12-2021.

a. Gross profit ratio b. Net profit ratio c. Operating ratio d. Operating profit ratio

Particulars	₹	Particulars	₹
To Opening stock	1,00,000	By Sales	5,60,000
To Purchases	3,50,000	By Closing stock	1,00,000
To Wages	9,000		
To Gross profit c/d	2,01,000		
	6,60,000		6,60,000
To Administrative expenses	20,000	By Gross profit b/d	2,01,000
To Selling and distribution exp.	89,000	By Interest on investments	10,000
To Non-operating expenses	30,000	(outside business)	
To Net profit	80,000	By Profit on sale of	
		investments	8,000
	2,19,000		2,19,000

14. Following are the details relating to the trading activities of A Ltd.,

Stock velocity - 8 months

Debtor's velocity - 3 months

Creditor's velocity - 2 months

Gross Profit ratio - 25%

Gross profit for the year ₹ 4,00,000; Bills Receivable ₹ 25,000 and Bills payable ₹ 10,000. Closing stock of the year ₹ 10,000 more than the opening stock.

Find out Sales b) Debtors c) Closing stock and d) Creditors

15. Calculate funds from operations of X Ltd. from the following:

Profit and Loss A/c

	₹		₹
To Salaries	10,000	By Gross Profit	2,00,000
To Rent	3,000	By Profit on sale of Machines	5,000
To Commission	2,000	By Dividend received	2,000
To Discount allowed	1,000	By Refund of tax	3,000
To Provision for Depreciation	14,000		
To Transfer to General reserve	20,000		
To Loss on sale of investments	5,000		
To Provision for tax	10,000		
To Discount on issue of Debentures	2,000		
To Preliminary Expenses	3,000		
To Selling Expenses	20,000		
To Net Profit	1,20,000		
	2,10,000		2,10,000

16. The following are the Balance Sheets of Pratima & Co. Ltd. as on 30th June 2021 and 30th June 2022.

Balance Sheet

Liabilities	30-6-2021 ₹	30-6-2022 ₹	Assets	30-6-2021 ₹	30-6-2022 ₹
Share capital	1,80,000	2,00,000	Goodwill	24,000	20,000
Reserve Fund	28,000	36,000	Buildings	80,000	72,000
P & L A/c	39,000	24,000	Machinery	74,000	72,000
Trade Creditors	16,000	10,800	Investments	20,000	22,000
Bank overdraft	12,400	2,600	Inventories	60,000	50,800
Provision for Taxation	32,000	34,000	Debtors	40,000	44,400
Provision for doubtful debts	3,800	4,200	Cash	13,200	30,400
	3,11,200	3,11,600		3,11,200	3,11,600

Additional Information:

- i) Depreciation charged on machinery Rs.10,000 and on buildings Rs.8,000.
- ii) Investments sold during the year Rs.3,000.
- iii) Rs.15,000 interim dividend paid during January 2022.
- iv) Taxes paid during the year Rs.30,000.

Prepare a) a statement of changes in working capital b) a funds flow statement

17. Selvi Ltd., earned profit of Rs.2,00,000 after charging or crediting the following items to its P & L A/c during 31-3-2022.

	₹
a) Profit on sale of investments	4,000
b) Loss on sale of buildings	9,000
c) Depreciation on fixed assets	7,000
d) Amortisation of goodwill	2,000

The following additional details are available:

	1-4-2021	31-3-2022
	₹	₹
Bills payable	5,000	8,000
Creditors	12,000	16,000
Outstanding expenses	2,000	1,000
Bills receivable	20,000	18,000
Debtors	40,000	60,000
Prepaid expenses	2,000	3,000
Accrued incomes	5,000	8,000
Income received in advance	2,000	1,000

Calculate the cash from operations for the year ending 31-3-2022.

18. Malar Ltd. Furnish you the following Balance Sheets for the years ending 31st Dec.2021. You are required to prepare a cash flow statement for the year ended 31-12-2021.

Liabilities	2020 ₹	2021 ₹	Assets	2020 ₹	2021 ₹
Equity share capital	20,000	20,000	Goodwill	2,400	2,400
General reserve	2,800	3,600	Land	8,000	7,200
Profit and Loss A/c	3,200	2,600	Building	7,400	7,200
Sundry creditors	1,600	1,080	Investments	2,000	2,200
Outstanding expenses	240	160	Inventories	6,000	4,680
Provision for tax	3,200	3,600	A/cs receivable	4,000	4,440
Provision for bad debts	80	120	Bank balance	1,320	3,040
	31,120	31,160		31,120	31,160

Following additional information has been supplied

- A piece of land has also been sold for ₹ 800
- Depreciation amounting to ₹ 1,400 has been charged on building.
- Provision for taxation has been made for ₹ 3,800 during the year.

19. A company which supplies its output on contract basis as component to an assembling firm has a contract to supply 10,000 units of its only product during 2021. The following were the budgeted expenses and revenue.

Materials	₹ 15 per unit
Wages	₹ 10 per unit
Works expenses – (Fixed)	₹ 40,000
Variable	₹ 4 per unit
General expenses (all fixed)	₹ 60,000

Profit is 20% on sale price.

Prepare the budget for 2021 showing the cost and profit.

20. Draw up a flexible budget for production at 75% and 100% capacity on the basis of the following data for a 50% activity.

	Per unit
	₹
Materials	100
Labour	50
Variable expenses (direct)	10
Administrative expenses (50% fixed)	40,000
Selling and distribution expenses (60% fixed)	50,000
Present production (50% activity)	1000 units

Note : Question Paper setters are strictly requested to prepare the question papers as per the model question paper enclosed. No theory questions are to be given in the place of problem questions.

B.Com CA, B.Com CA with Business Analytics, B.Com General, B.com Taxation & BA Accountancy

SRI VENKATESWARA UNIVERSITY:: TIRUPATI

Semester-wise Revised Syllabus under CBCS, 2020-21

Domain Subject: COMMERCE

III YEAR- Semester –V

**Common to B.Com General, B.Com CA, B.Com Taxation & B.Com
Computer Applications with Business Analytics & B.A Accountancy**

Course19 A: COST CONTROL TECHNIQUES

(Skill Enhancement Course (Elective) 4 credits) Max Marks: 75+25 = 100

I. Learning Outcomes

Up on completion of the course the student will be able to

1. Differentiate cost control, cost reduction concepts and identify effective techniques.
2. Allocate overheads on the basis of Activity Based Costing.
- 3: Evaluate techniques of cost audit and rules for cost record.
- 4: Appraise the application of marginal costing techniques to evaluate performances, fix selling price, make or buy decisions.

II. Syllabus: (Total 75hrs (Teaching 60, Training10, Others 05 including IE etc.)

Unit 1: Introduction-Nature and Scope

Introduction: Meaning of Cost Control – Cost Control Techniques – Requisites of effective Cost Control System – Cost Reduction – meaning – essentials for an effective cost Reduction Program Differences between Cost Profit and Financial Profit – Reconciliation of the cost profit with financial profit vice versa . **(including theory and problems).**

Unit 2: Operating Costing

Meaning- Different types of operating costing businesses - Transport, Hotel & Hospital, Power generating. **(Problems in Transport costing only)**

Unit 3: Cost Volume Profit Analysis (CVP Analysis)

Applications of Marginal Costing – Profit planning – Evaluation of Performance - selection of product mix (Sales Mix) - maintaining a desired level of profit - Make or Buy decisions **(problems only).**

Unit 4: Standard Costing and Variance Analysis

Concept of Standard Cost and Standard Costing – Advantages and limitations – analysis of variances-importance of Variance Analysis - computation of variances relating to material **(Problems only).**

Unit 5: Process Costing

Meaning of process - Manufacturing companies with suitability of process costing -Preparation of process accounts with Normal loss and Abnormal loss or Abnormal gain **(Problems only).**

III. References

1. T.S. Reddy and Dr. Y. Hari Prasad Reddy, Cost Accounting and Management Accounting, Margam Publications.
2. Cost and Management Accounting by SP Jain and KL Narang.
3. Cost Accounting by M.C. Shukla, T. S. Grewal & Dr M. P. Gupta, S. Chand and Company Private Limited, New Delhi
4. Cost Accounting: Principles & Practice Book by M. N. Arora, Vikas Publishing House Private Limited.
5. Advanced Cost Accounting: JK Mitra, New Age International
6. Advanced Cost Accounting: SN Maheswari, S. Chand and Company Private Limited, New Delhi.

Web Sources: Web sources suggested by the concerned teacher and college librarian including reading material.

IV. Co-Curricular Activities:

A. **Mandatory** (*student training by teacher in related real time field skills: total 10 hours*)

1. **For Teachers:** Teacher should train students (using actual field material) in classroom/field for not less than 10 hours on techniques relating to determine fixed Costs, variable costs based on the data of concerned firm, to identify and analyze of cost variances and to prepare budgeting reports of business/industry houses.
2. **Students:** Students should develop skills by adopting techniques on differences between cost controls and cost reduction, allocation of overheads on the basis of Activity Based Costing. Should visit any business and learn the methods and techniques of ascertaining costs of various products using with same material, machine and money under same management (For example, Dairy, Sweet, Leather products etc.) and identify the reasons for variances in estimated and actual cost and submit a report in the given format not exceeding 10 pages to the teacher
3. Max marks for Fieldwork/Project work Report: 05.
4. Suggested Format for Fieldwork/Project work (not more than 10 pages):
Title page, student details, contents, objective, step-wise work done, findings, conclusions and acknowledgements.
5. Unit tests (IE).

B. Suggested Co-Curricular Activities

1. Organize short term training on specific technical skills in collaboration with Computer Department or skill training institution (Government or Non-Government Organization). Like Zoho, Fresh book, MS Excel....
2. Seminars/Conference/ Workshops on Cost accountant profession, skills required for cost accountant Professional Development, integration of technical and analytical skills for effective job performance, Ethical behaviour of management accountant.
3. Real time work experience with ICMA professional duration of work be decided on the basis of feasibility and opportunity.
4. Arrange for Interaction with Area Specific Experts.

Programme: Three Year B.Com
(General and Computer Applications)

Domain Subject: Commerce

V- Semester-wise Syllabus under CBCS (w.e.f. 2020-21 Admitted Batch)
III Year B.Com (CA), B.Com General, B.Com Taxation, B.Com CA with Business Analytics
& B.A Accountancy

COURSE 19-A : COST CONTROL TECHNIQUES

Model Question Paper 2021-22

Time: 3 hrs

Max. Marks 75

SECTION - A

Answer any FIVE Questions

5×3 = 15 Marks

1. Cost Control Techniques
2. Prepare reconciliation statement

	₹
Net profit as per financial books	10,000
Interest on investments not included in costing	2,000
Goodwill written off	1,000
Provision for doubtful debts	4,000

3. Cost Reduction
4. A Transport service company is running four buses between two towns which are 50 kms. A part. Seating capacity of each bus is 40 passengers. Actual passengers carried were 75 percent of the seating capacity. All the four buses ran on all the days of the month April, 2022. Each bus made one round trip per day. Calculate total kms. and total passengers kms. for the month.
5. Transport Costing
6. The statement of cost of a machine is as follows:

	₹
Materials	200
Labour	100
Variable expenses	50
Fixed expenses	75
Total cost	425
Profit	100
Selling price	525

The number of machines sold and made is 10,000
Find how many machines must be produced and sold if the selling price is reduced by ₹ 25 to realize the present amount of profit?

7. Alcos Ltd. manufacture and sell four types of products under the brand names A,B, C and D. The mix in the value comprises of $33\frac{1}{3}\%$, $41\frac{2}{3}\%$, $16\frac{2}{3}\%$ and $8\frac{1}{3}\%$, of A,B, C and D respectively. The budgeted sales (100%) are ₹ 60,000 per month. Operating costs are:

Variable costs:

Product A	60% of selling price
Product B	68% of selling price
Product C	80% of selling price
Product D	40% of selling price
Fixed cost -	₹ 14,700 per month

Calculate the break even point for the products on an overall basis

8. Calculate material mix variants from the following:

	<u>Standard</u>		<u>Actual</u>	
	KG	Rate	KG	Rate
Material A	8000	1.05	7500	1.20
Material B	3000	2.15	3,300	2.30
Material C	2000	3.30	2,400	3.50

9. Compute abnormal Loss or Gain

Total expenditure	₹ 1,50,000	Input in Units	10,000
Normal Loss	5%	Scrap value of Normal Loss per unit ₹	5.50
Output	9,600 Units		

10. In process A, 100 units of raw materials were introduced at a total cost of ₹ 1000. The other expenditure, incurred by the process was ₹ 602. Of the units introduced 10% are normally lost in the course of manufacture and they possess a scrap value of ₹ 3 each. The output of process 'A' was only 75 units. Prepare process 'A' Account

SECTION - B

Answer any FIVE Questions

5×12 = 60 Marks

11. Prepare a statement of reconciliation from the following:

	Rs.
Net loss as per cost accounts	34,500
Net loss as per financial accounts	40,950
Works overhead under recovered in costing	6,240
Administrative overhead recovered in excess	3,400
Depreciation recovered in costing	11,200
Depreciation charged in financial accounts	12,500
Interest on investments not included in costing	6,000
Goodwill written off	5,000
Provision for doubtful debts in financial accounts	1,260
Stores adjustment credit in financial accounts	950
Loss of stock charged in financial accounts	3,000

12. In a factory, works overheads are absorbed at 60% of labour cost and office overheads at 20% of works cost.

Prepare (i) Cost Sheet, (ii) Profit & loss account and (iii) Reconciliation Statement if the total expenditure consists of :

Material ₹ 2,00,000; wages ₹ 1,50,000; Factory expenses ₹ 1,00,000; Office expenses ₹ 85,000
10% of the output is in stock at the end and sales are ₹ 5,20,000.

13. Sri Lakshmi Travels, a transport company is running a fleet of six buses between two towns 75 kms. apart. The seating capacity of each bus is 40 passengers. The following particulars are available for the month of April 2017.

	Rs.
Wages of Drivers, Conductors, etc.	14,400
Salaries of office and supervisory staff	15,000
Diesel oil., etc.	20,320
Repairs and maintenance	1,200
Taxes and insurance	2,400
Depreciation	3,900
Interest and other charges	3,000

The actual passengers carried were 80% of the capacity. All the buses run all the days in the month. Each bus made one round trip per day. Find out the cost per passenger kilometre.

14. Mr. Srinivasulu furnishes you the following data and wants you to compute the cost per running km of vehicle A.

	₹
Cost of vehicle	4,50,000
Road license per year	1,800
Annual supervision & salaries	7,200
Driver's wages per hour	40
Cost of fuel per liter	52
Repairs & maintenance per km	22
Tyres cost per km	4
Insurance premium p.a.	1,700
Garage rent per year	15,300
Kms run during the year	15,000
Estimated life of vehicle in kms	1,00,000
Average tonnage carried	6

Charge interest at 5% per annum on cost of vehicle. The vehicle runs 20 kms per hour on an average.

15. Present the following information to show to management:

- The marginal product cost and the contribution per unit:
- The total contribution and profits resulting from each of the following sales mixtures.

	Product	Per unit (Rs.)
Direct materials	A	10
Direct materials	B	9
Direct Wages	A	3
Direct Wages	B	2
Fixed expenses Rs. 800		
(Variable expenses are allotted to products as 100% of direct wages)		

Sales Price	A	20
Sales Price	B	15

Sales mixtures:

- 100 units of product A and 200 of B
- 150 units of product A and 150 of B
- 200 units of product A and 100 of B.

Recommend which of the sales mixtures should be adopted.

16. Two businesses Y Ltd., and Z Ltd., sell the same type of product in the same type of market.

Their budgeted profit and loss accounts for the coming year are as follows:-

		Y Ltd.,		Z Ltd.,
		Rs.		Rs.
Sales		1,50,000		1,50,000
Less: Variable Costs	1,20,000		1,00,000	
Fixed Costs	15,000	1,35,000	35,000	1,35,000
Budgeted Net Profit		15,000		15,000

You are required to:

- Calculate the break even point of each business:
- Calculate the sales volume at which each of businesses will earn Rs. 5,000 Profit;
- State which business is likely to earn greater profit in condition of:
 - heavy demand for the product;
 - Low demand for the product and briefly give your reasons.

- 17.** From the following particulars Calculate (a) Material price variance
(b) Material usage variance and
(c) Material cost variance

Material purchased	-	3,000 kgs at Rs.6 per kg
Standard quantity of material fixed for one unit of finished product	-	25 kgs at Rs.4 per kg.
Opening stock of material	-	Nil
Closing stock of material	-	500kgs
Actual output during the period	-	80 units

18. From the following information of product No. 888, calculate

- Material cost variance
- Material price variance
- Material usage variance
- Material mix variance
- Material sub usage variance

Material	Standard Qty kgs.	Standard Price ₹	Actual quantity kgs	Actual Price ₹
X	20	5	24	4.00
Y	16	4	14	4.50
Z	12	3	10	3.25

- 19.** The product of company passes through three distinct processes to completion. They are known as A, B and C. From past experience it is ascertained that loss is incurred in each process as: Process A – 2%, Process B – 5%, Process C – 10%.

In each case the percentage of loss is computed on the number of units entering the process concerned.

The loss of each process possesses a scrap value. The loss of processes A and B is sold at Rs.5 per 100 units and that of process C at Rs. 20 per 100 units.

The output of each process passes immediately to the next process and the finished units are passed from process C into stock.

	Process 1	Process 2 Rs.	Process 3 Rs. Rs.
Materials consumed	6,000	4,000	2,000
Direct Labour	8,500	6,000	3,000
Manufacturing expenses	1,000	1,000	1,500

20,000 units have been issued to process A at a cost of Rs.10,000. The output of each process has been as under:

Process A 19,500; Process B 18,000; Process C 16,000. There is no work-in-progress in any process.

Prepare Process Accounts. Calculations should be made to the nearest rupee.

20. The product of a manufacturing concern passes through two processes A and B and then to finished stock. It is ascertained that in each process normally 5% of the total weight is lost and 10% is scrap which from Processes A and B realizes Rs.80 per ton and Rs.200 per ton respectively.

The following are the figures relating to both the processes:

	Process A	Process B
Materials in tons	1,000	70
Cost of materials per ton in rupees	125	200
Wages in rupees	28,000	10,000
Manufacturing expenses in rupees	8,000	5,250
Output in tons	830	780

Prepare Process Cost Accounts showing cost per ton of each process. There was no stock or work-in-progress in any process.

Note : Question Paper setters are strictly requested to prepare the question papers as per the model question paper enclosed. No theory questions are to be given in the place of problem questions.