

Q. 4. Answer in detail (Any Two) (20)

1. Explain in detail the purchase procedure of materials (up to receiving and inspection) along with the documents prepared at each stage.
2. Explain what do you mean by allocation, apportionment, re-apportionment and absorption of overheads.
3. Explain classification of costs based on function and variability.

Q. 5. Case study (Any One) (15)

1. The following information has been obtained from the records of ABC Corporation for the period from June 1 to June 30, 2021.

Particulars	On June 1, 2021 Rs.	On June 30, 2021 Rs.
Cost of raw materials	60,000	50,000
Cost of work-in-progress	12,000	15,000
Cost of stock of finished goods	90,000	1,10,000
Purchase of raw materials during June 2021		4,80,000
Wages paid		2,40,000
Factory overheads		1,00,000
Administration overheads		50,000
Selling and distribution overheads		25,000
Sales		10,00,000

Prepare cost sheet and write the amounts of the following:

- i) Factory cost
ii) Cost of goods sold
iii) Net profit
2. The following information is provided by Sunrise Industries for the fortnight of April, 2020.

Material Exe:

Stock as on 1-4-2020: 100 units at Rs. 5 per unit

Purchases

5-4-2020, 300 units at Rs. 6
8-4-2020, 500 units at Rs. 7
12-4-2020, 600 units at Rs. 8

Issues

6-4-2020, 250 units
10-4-2020, 400 units
14-4-2020, 500 units

Required:

Prepare stores ledger as per **FIFO** method and find the following:

- i) Balance as on 6-4-2020
- ii) Balance as on 10-4-2020
- iii) Balance as on 15-4-2020