33/50

overall performance is good
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show all necessary working note properly
do more practice
all the best

Name: Ashina
Course: CA Inter
Test: (4)

(3)

Statement of Equivalent Production

Input	Particular	Output	Material %	Material Unit	Labour & Overhead %	Labour & Overhead Unit
4500	Opening WIP	~~4500~~				
100000	Unit introduced					
	Unit Transfer	39500	100	39500	100	39500
	Closing WIP (work in progress)	9000	100	9000	80	7200
	Normal loss	~~5500~~	—	—	—	—
	Abnormal loss	1000	100	1000	80	800
104500		104500		49500		47500

Statement of Equivalent cost per unit

Particular	(₹)	Equivalent Unit	Cost per Equivalent Unit
Opening WIP			
Sugarcane	50,000		
Cost of sugarcane	500000		
	550000	49500	11.111
Opening Labour & O/V (overhead)			
Labour 15000			
O/V 45000	60,000		
Cost of Labour 200000			
Cost of O/V 60000	80000		
	140000	47500	18.105
			29.216

10 marks

Apportionment of cost / Statement of distribution cost

Particular		(₹)
Abnormal loss	(1000 × 11.111)	11,111
	500 × 18.105)	14484
Closing WIP	(9000 × 11.111	99999
	7200 × 18.105)	
Finished good	(39500 × 29.216)	1154632

Particular	Unit	(₹)	Particular	Unit	(₹)
To opening WIP	4500	11000	By normal loss	500	—
To material	10000	200000	By closing WIP	9000	200373
To labour		200000	By abnormal loss	1000	29595
To Overhead		60000	By finished stock	39500	1154032
	14500	1410000		14500	1410000

(1) i) c) Estimated net realisable value.

Particular	Caustic soda (₹)	PVC (₹)
Sale	60000	60000
	(1200 × 50)	(2000 × 95)
		(20,000)
Less: Incremental cost		
Total cost	60,000	40,000
Joint cost in 6:4	60000	40000

a) Sale value at split off point

Particulars	Caustic Soda (₹)	Chlorine (₹)
Sale (₹)	[illegible]	[illegible]
Joint cost 100000 in 6:6	50000	50000

b) Physical unit method

Particulars	Caustic Soda (₹)	Chlorine (₹)
Sale (Qty)	1200	800
Joint cost 100000 in 12:8	[illegible]	40,000

(2) Incremental in cost :- NO PVC : Chlorine

500 × 200 : − 800 × 75 − 20,000

100000 − 40,000

₹ 60,000

Yes, the Acceptance of this offer.

The operating income of Inorganic Chemicals will be reduced by Rs20,000 in August if it sells 800 tons of Chlorine to Lifetime Swimming Pool Products, instead of further processing of Chlorine into PVC for sale.

9 marks

(Q) Calculation of NRV at Joint allocation (Using NRV method)

Particular	X	Y	Z
Selling price (per ton)	186	527	736
Add Closing Inventory (per ton)	180	60	25
	366	587	761
× Sold price (per ton)	3000 per ton	2250 per ton	1500 per ton
Total cost	1098000	1320750	1141500
Less Additional cost to m.2			(620000)
	1098000	1320750	5,21,500
Joint cost 1250000 in 1098000 : 1320750 : 521500	461797	5,61446	199957

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Calculation of Cost of Good sold

Particular	X (₹)	Y (₹)	Z (₹)
Joint cost Allocation	466797	561496	1911957
Add Additional cost to mr. Z			620000
	466797	561496	2531957
Cost of Good sold	466797 × 186 ton	561496 × 527	2531957 × 736 ton
Total Inventory	237224	366 ton	587 ton	761 ton
Closing Inventory	466797 × 180	561496 × 60	1911957 × 25
	366 ton	587 ton	761 ton
	229572	57393	83179

8 marks

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(6) Preparation of Profitability Statement on marginal cost basis

Particular	X (₹)	Y (₹)
Sale	4800000	2800000
Output (unit)	8000	4000
Direct material @90/45	1440000	630000
Direct wages @90/32.5	720000	530000
Prime cost	2160000	1160000
Variable factory overhead	540000	402800
fixed factory overhead	800000	400000
factory cost	3500000	1962800
other variable cost	300000	200000
Other fixed cost	273867	213333
Total cost	3773867	2376133
Profit	1026133	(376133)
Sale (600/400)	4800000	2000000

Budget (f. Y. 20-21)

Particular	6400 unit × (₹)	3600 unit Y (₹)
Direct material (140/157.5)	896	567
Direct wages (108/159)	691	57
Prime cost	1587200	1139400
variable factory o/h	51	342
fixed factory o/h	800000	400000
factory cost	2100	1
other variable cost	320000	280000
other fixed cost	2	1
Total cost	2720192	2396408
Profit	3	(1 408)
Sale (480/440)	3072	158

6 marks