



J.K. SHAH[®]
TEST SERIES
Evaluate Learn Succeed

SUGGESTED SOLUTION

CA INTERMEDIATE

SUBJECT- COSTING

Test Code – CIM 8602

BRANCH - () (Date :)

Head Office : Shraddha, 3rd Floor, Near Chinai College, Andheri (E), Mumbai – 69.

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ANSWER -1**(i) Total equivalent single room suites**

Nature of suite	Occupancy (Room-days)	Equivalent single room suites (Room-days)
Single room suites	36,000 (100 rooms x 360 days x 100%)	36,000 (36,000 x 1)
Double rooms suites	14,400 (50 rooms x 360 days x 80%)	36,000 (14,400 x 2.5)
Triple rooms suites	6,480 (30 rooms x 360 days x 60%)	32,400 (6,480 x 5)
		1,04,400

(3 MARKS)**(ii) Statement of total cost:**

	(Rs.)
Staff salaries	14,25,00,000
Room attendant's wages	4,50,00,000
Lighting, heating and power	2,15,00,000
Repairs and renovation	1,23,50,000
Laundry charges	80,50,000
Interior decoration	74,00,000
Sundries	<u>1,53,00,000</u>
	25,21,00,000
Building rent {(Rs.10,00,000 X 12 months) + 5% on total taking}	1,20,00,000+ 5% on total takings
Total cost	26,41,00,000 + 5% on total takings

Profit is 20% of total takings

Total takings = Rs. 26,41,00,000 + 25% (5% +20%) of total takings Let x

be rent for single room suite

Then $1,04,400 x = 26,41,00,000 + 0.25 \times 1,04,400 x$

Or, $1,04,400 x = 26,41,00,000 + 26,100 x$

Or, $78,300 x = 26,41,00,000$

Or, $x = 3,373$

(6 MARKS)

(iii) Rent to be charged for single room suite = Rs. 3,373

Rent for double rooms suites Rs. 3,373 x 2.5 = Rs. 8,432.5

Rent for triple rooms suites Rs. 3,373 x 5 = Rs. 16,865

(1 MARK)

ANSWER -2**Contract Account (For the year ended 20X7)**

Particulars	(Rs.)	Particulars	(Rs.)
To Materials	6,75,000	By Plant at site c/d	2,25,000
“ Wages	6,20,000	By Work – in – Progress c/d :	
“ Transportation cost	30,000	Work Certified 13,50,000	
“ Other expenses	30,000	Work uncertified 15,000	13,65,000
“ Plant	3,00,000	By Costing P & L A/c.	65,000
		(Loss for the year)	
	16,55,000		16,55,000

(3 MARKS)**Contract Account (For the year ended 20X8)**

Particulars	(Rs.)	Particulars	(Rs.)
To Plant at site b/d	2,25,000	By Plant at site c/d	1,68,750
To Work – in – progress b/d :		By Work – in – progress c/d :	
- Work certified 13,50,000		Work certified 45,00,000	
- Work uncertified 15,000	13,65,000	Work uncertified 75,000	45,75,000
To Materials	10,50,000		
To Wages	9,00,000		
To Transportation cost	90,000		
To Other expenses	75,000		
To costing P & L A/c.	10,38,750		
(Notional Profit for the year)			
	47,43,750		47,43,750

(4 MARKS)**Contract Account (For the year ended 20X9)**

Particulars	(Rs.)	Particulars	(Rs.)
To Plant at site b/d	1,68,750	By Plant at site c/d	1,26,563
To Work – in – progress b/d :		(75% of Rs. 1,68,750)	
Work certified 45,00,000		By Contractee A/c.	60,00,000
Work uncertified 75,000	45,75,000	By Costing P & L A/c.	3,66,187
To Materials	9,00,000	(Notional Loss for the year)	
To Wages	7,50,000		
To Transportation Cost	75,000		
To Other expenses	24,000		
	64,92,750		64,92,750

(3 MARKS)**Note: WDV Depreciation**

- i) For year Ended 20X7 = 3,00,000 – 2,25,000 = 75,000
- ii) For year Ended 20X8 = 2,25,000 – 1,68,750 = 56,250
- iii) For year Ended 20X9 = 1,68,750 – 1,26,563 = 42,187