

COST AND FINANCIAL ACCOUNTING (SEMESTER- V) : CE-301-A

ASSIGNMENT NO. 1 AND 2 (2020-21)

ASSIGNMENT NO. 1 (PROCESS ACCOUNTS)

A product passes through three different processes – X, Y and Z and thereafter it is transferred to finished stock. The information for the year 2019 is as under.

	Particulars	Process-X	Process-Y	Process-Z
1.	Units introduced @ Rs. 4 per unit	?	--	--
2.	Actual productions(Units)	69,750	?	?
3.	Normal Wastage (percentage of inputs)	4%	8%	10%
4.	Sales value of wastage (per 50 units)	Rs. 5	Rs.20	Rs.50
5.	Abnormal wastage (units) (cost per unit Rs. 8)	2,250	NIL	---
6.	Abnormal Gain (units)	---	NIL	1,580
7.	Normal cost of normal Output per unit	--	Rs. 11	---
8.	Normal cost of abnormal gain per unit	---	---	Rs 16

Additional information:

- (1) Factory overheads to be distributed as 100% of Direct Wages in all three processes.
- (2) The abnormal wastage was 75% of the Normal Wastage in process X.

Prepare process Accounts X, Y and Z.

Assignment No. 2 (AMALGAMATION OF COMPANIES)

Que. The Balance Sheets of Sun Ltd. and Moon Ltd. as on 30-06-2020 are as below:

Liabilities	Sun Ltd.	Moon Ltd.	Assets	Sun Ltd.	Moon Ltd.
	(Rs)	(Rs)		(Rs)	(Rs)
Eq. Sh. Capital (Rs 10)	5,00,000	4,00,000	Fixed Assets	8,00,000	6,00,000
6% Preference Share Capital (Rs 100)	5,00,000	1,00,000	Investments	60,000	-
Reserve	1,40,000	1,00,000			
7% Debentures (Rs 100)	-	1,00,000			
Loan from Sun Ltd	-	30,000	Current Assets	5,00,000	2,00,000
Other Liabilities	2,50,000	70,000	Loan to Moon Ltd.	30,000	-
	13,90,000	8,00,000		13,90,000	8,00,000

Sun Ltd. decides to take over Moon Ltd. on the following terms:

- Sun Ltd. will issue 7 equity shares of Rs 10 at a premium of 20% and Rs. 5 cash for every 5 equity shares of Moon Ltd. surrendered.
- Preference shareholders of Moon Ltd. are to be given one 6% preference share of Rs 100 in Sun Ltd. for every share held. These shares are to be issued at a premium of 5%.
- 7% Debentures of Moon Ltd. are to be redeemed at 8% premium by issue of 6% Debentures of Sun Ltd. at 10% discount.
- Liquidation expenses amounting to Rs 10,000 are to be paid by Sun Ltd.
- Sun Ltd. re-values the fixed assets Moon Ltd. at Rs 8,00,000 on take over.

Pass Journal entries in the books of Sun Ltd. and prepare the Balance Sheet after the takeover.