



B.Com. IV Semester Degree Examination, September/October - 2023

COMMERCE

Costing Methods and Techniques

(NEP)

Time : 2 Hours

Maximum Marks : 60

Note : Attempt **all** sections according to internal choice.

SECTION - A

1. Answer the following sub-questions, each sub-question carries **one** mark. **10x1=10**
- (a) What do you mean by Job Costing ?
 - (b) What is work certified ?
 - (c) What is process costing ?
 - (d) Give any two examples of running charge in case of transport costing.
 - (e) What is marginal cost ?
 - (f) What do you mean by Break-even Point ?
 - (g) Define Budget.
 - (h) What is flexible budget ?
 - (i) State any two merits of standard costing.
 - (j) What is material price variances ?

SECTION - B

Answer **any four** of the following questions.

4x5=20

2. What do you mean by Activity Based costing ? What are its objectives ?
3. From the following information, prepare an estimate for Job No. 77.
- | | |
|------------------------|-----------------------|
| Raw materials consumed | Rs. 1,00,000 |
| Direct wages | - Rs. 50,000 |
| Factory expenses | - 60% on wages |
| Office expenses | - 20% on factory cost |
- The quotation should include a profit of 20% on cost price.
4. A product passes through two processes A & B. From the following information prepare process 'A' Account.

Input	-	10,000 Units
Rate Per Unit		Rs. 4
Sundry Materials		Rs.12,000
Direct Labour		Rs. 14,000
Manufactures expenses		Rs. 11,000
Normal loss		5% on input
Scrap P.U.		Rs. 2.00



5. From the following particulars ; Calculate P/V Ratio :

Year	Sales(Rs)	Profit/Loss (Rs)
2020	6,00,000	60,000 (Loss)
2021	12,00,000	90,000 Profit

6. The following budget estimates are available from a factory working at 50% of its capacity.

Variable expenses	Rs. 60,000
Semi-Variable expenses	Rs. 20,000
Fixed expenses	Rs. 10,000

Prepare a budget for 75% of the capacity assuming that Semi-Variable expenses increase by 10% for every 25% capacity.

7. From the following data calculate material cost variance.

Standard quantity specified for actual production	10,000 units
Actual quantity used	10,000 units
Standard Price Per Unit	Rs. 0.90
Actual Price Per Unit	Rs. 1.00

SECTION - C

Answer **any three** of the following questions.

3x10=30

8. A firm of builders kept in a contract ledger a separate account for each contract. The following relates to certain contract carried out during the year ended 31-12-2022.

	Rs.
Work certified by architect	1,43,000
Cost of work uncertified	3,400
Plant installed at site	11,300
Depreciation on plant upto 31-12-22	3100
Materials sent to site	65,300
Wages paid at site	54,800
Establishment charges	3,250
Direct expenditure	2,400
Wages accrued on 31-12-2022	1,800
Materials cost at site	800
Direct expenditure due on 31-12-22	200
Contract price	2,00,000
Materials in hand on 31-12-2022	1,400
Material returned to stores	400
Cash received from contracts	1,30,000

You are required to prepare a contract account showing the profit transferred to profit and loss account.



9. Calculate the cost per passenger Km from the following particulars.

- (a) The cost of the vehicle is Rs. 4,00,000 estimated life is 2,00,000 kilometres. During the period it has made 10 trips per day of 20 days and 8 trips per day of 5 days.
- (b) The following are the details of passengers.

No. of Kilometers	No. of Passengers
2	3,000
4	6,000
6	4,000
8	2,000
10	4,000

(c) Expenses incurred during the period were :

Rent and taxes	3,000
Repairs	2,000
Drivers and conductors salary	6,000
Permit fee	2,000
Establishment expenses	1,000
Insurance	2,000
Other expenses	2,000
Petrol and diesel	10,000
Tyres and tubes	5,000

10. The sales and profit of 2 Co. Ltd. during the two periods were as follows.

Period	Sales (Rs)	Profit (Rs)
2021	7,20,000	1,20,000
2022	9,60,000	1,80,000

You are required to calculate :

- (i) P/V Ratio.
- (ii) BEP.
- (iii) The sales required to earn a profit of Rs. 2,40,000.
- (iv) Profit when sales are Rs. 14,00,000.
- (v) Margin of safety at a profit of Rs. 3,00,000.
- (vi) Variable cost of the two periods.



11. Kamal and sons wish to approach the bankers for temporary overdraft facility for the period from 1st August 2015 to October 2015. During the period of these three months the firm will be manufacturing mostly for stock. You are required to prepare a cash budget for the above period from the following data indicating the overdraft facility by the firm at the end of each month.

Particulars	Sales (Rs)	Purchase (Rs)	Salaries (Rs)
June	36,000	24,960	2,400
July	38,400	28,800	2,800
August	21,600	48,600	2,200
September	34,800	49,200	2,000
October	25,200	53,600	3,000

- (a) 50% of credit sales are realized in the month following the sales and remaining 50% in the second month following.
- (b) Creditors are paid in the month following the month of purchase.
- (c) Estimated cash as on 1st August 2015 is Rs. 5,000.
12. Find out different labour variances and verify the results.

Particulars	Standard	Actual
Out put	1000 Units	1200 Units
Rate of payment (Rs)	6 Per Unit	-
Wage paid with bonus	-	Rs. 8,000
time taken	50 hours	40 hours

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