



B.Com. IV Semester Degree Examination, Sept./Oct. - 2024

COSTING METHODS AND TECHNIQUES

DSC-11 : Costing Method and Technique

(NEP)

Time : 2 Hours

Maximum Marks : 60

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

SECTION - A

Answer the following sub-questions, each sub-question carries **one** mark. **10x1=10**

1. (a) What do you mean by work certified ?
(b) Give the meaning service costing.
(c) Name two areas where service costing Applied.
(d) What do you mean by process costing ?
(e) What do you mean by Running charge in Transport costing ?
(f) Give the meaning of cost Drivers.
(g) Give the meaning of margin safety.
(h) Give the meaning of Fixed budget.
(i) Specify any two types of Budget.
(j) Write two uses of standard costing.

SECTION - B

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

4x5=20

2. Write the benefits of ABC costing.
3. From the following information prepare an estimate for job no 214.
Direct materials consumed Rs. 60,000
Direct wages paid Rs. 1,20,000
Factory expenses 60% wages
office expenses 20% of factory cost.
The Tender should include a profit of 20% on selling price.
4. 5000 units were introduced in process A. The total cost incurred in this process was Rs. 28,000 and The Scrap value of normal loss was Rs. 1,000 Normal Loss was 10%.
Calculate normal cost per unit of process A.



5. Calculate the P/V Ratio from the following information.

Year	Sales	Total cost (Rs)
2021	7,00,000	5,50,000
2022	10,00,000	8,00,000

6. From the following information calculate, the amount to be paid during June, July and August in respect of Manufacturing expenses

Month Manufacturing Expenses

May	27,000
June	21,000
July	24,000
August	18,000

Lag in payment of Manufacturing expenses is half month.

7. Calculate material cost variance the material usage variance is Rs. 120 adverse
The standard quantity 100 kgs at Rs. 12 per kg.
The actual quantity of material purchased 110 kgs at Rs. 11 per kg.

SECTION - C

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

3x10=30

8. A firm of Builders kept a contract ledger, A separate Account for Each Contract.
During the year Ended 31.12.2023.

Cost of work certified	6800
Work certified by Architect	2,86,000
Plant Installed at site	22,600
Depreciation on plant	
Up to 31.12.2023	6,200
materials sent to site	1,30,600
wages paid at site	1,09,600
Establishment charges	6,500
Direct Expenditure	4,800
O/s wages on 31.12.2023	3,600
materials cost at site	1,600
Direct Expenditure due on 31.12.2023	400
Contract Price	4,00,000
Materials In hand on 31.12.2023	2,800
Materials Returned to store	800
Cash received from contracts	2,60,000

You are required to prepare a contract A/c Showing the profit Transferred to P & L A/c.



9. From the following Information Calculate the cost per Running a km of a Vehicle.

Cost of the Vehicle	6,50,000
Scrap value at the end of life	50,000
Insurance per Annum	4,400
Garriage rent per Annum	9,600
Road Tax Per Annum	12,000
Drivers wages per month	1,600
Clearness wages per month	400
Cost of petrol per Litre	16
Miscellaneous Expenses per kilometer including tyre & maintainance ₹ 2	
Estimated life - 300000 kilometers	
Kilometers per litre of petrol - 8 km	
Estimated Annual kilometers Run 20000 kilometers	

10. The Sales & Profits of PQR Co., Ltd., during the two periods was as follows.

Periods	Sales (₹)	Profit
2020	1,80,000	30,000
2021	2,40,000	45,000

You are required to Calculate :

- (1) P/V Ratio
 - (2) BEP
 - (3) Sales required to Earn a profit of ₹ 75,000
 - (4) Profit when sales are ₹ 7,50,000
 - (5) Margin of safety at a profit of ₹ 1,25,000
 - (6) Variable cost of the two periods
11. Raj & sons wished to approach the Bankers for Temporary overdraft facility for the period from 1st August 2021 to October 2022 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	Purchase	Salaries
June	36000	24960	2400
July	38400	28800	2800
August	21600	48600	2200
September	34800	49200	2000
October	25200	53600	3000

- (a) 50% of Credit Sales are realised 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 on 1 August 2022 is ₹ 5000.



12. From the following information Calculate labour Variance of two Departments.

	Dept. 'A'	Dept. 'B'
Actual Gross wages	2000	1800
Standard Hours Produced	8000	6000
Standard rate per Hour	30 Paise	35 Paise
Actual Hours worked	8200	5,800

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