QP CODE: 21101150

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Reg No : ....

Name : ....

B.COM DEGREE (CBCS) EXAMINATION, APRIL 2021

Sixth Semester

CORE - CO6CRT17 - COST ACCOUNTING - 2

Common for B.Com Model I Finance & Taxation, B.Com Model I Co-operation, B.Com Model I Computer Applications, B.Com Model I Marketing, B.Com Model I Travel & Tourism, B.Com Model III Computer Applications, B.Com Model III Office Management & Secretarial Practice, B.Com Model III Taxation, B.Com Model III Travel & Tourism, B.Com Model II Computer Applications, B.Com Model II Finance & Taxation, B.Com Model II Logistics Management, B.Com Model II Marketing & B.Com Model II Travel & Tourism

2017 Admission Onwards

C15057B7

Time: 3 Hours Max. Marks : 80

*Instructions to Private candidates only: This question paper contains two sections. Answer **SECTION I** questions in the answer-book provided. **SECTION II**, Internal examination questions must be answered in the question paper itself. Follow the detailed instructions given under **SECTION II***

SECTION I

Part A

*Answer any **ten** questions.*

*Each question carries **2** marks.*

1. What is work certified?

2. Calculate EBQ

Annual Demand	50,000 units
Setting up cost	Rs. 100 per unit
Interest on capital	10%
Cost of storage per unit	50 paise
Cost of manufacturing	Rs. 20 per unit

3. A transport company operates 4 buses between two cities which are 100 kms apart. Each bus makes 3 round trips per day. The seating capacity of the buses are 50 passengers. The buses operate on all days during the month of April 2019. On an average all the buses run with 80% capacity.
Calculate total kilometres run and passenger kilometres.

4. What is operation costing?

5. What are the Limitations of Cost Plus Contract to the Contractor?

6. What is process costing?

7. What is Normal Process Loss?.

8. Why are P/V ratio and Margin of safety calculated?

9. Describe how the following factors will have an impact on the break even point and profit volume ratio:
a) Increase in sales quantity ; b) Increase sales price per unit

10. Define Marginal Costing. Point out the limitations of marginal costing.

11. What is Budgeting?

12. What are the advantages and disadvantages of ZBB? (any two)

(10×2=20)

Part B

*Answer any **six** questions.*

*Each question carries **5** marks.*

13. Printwell ltd, took up two jobs during the first week of April 2019. Following details are available:

	Job 101	Job 102
Materials supplied	Rs. 2100	1400
Wages paid	900	600
Materials transfered from 102 to 101	100	100
Material returned to stores	-	50

find the cost of each job

14. From the following data calculate the cost per running kilometers of a vehicle:

Value of Vehicle	1,50,000
Garage rent per year	6,000
Insurance charge per year	1,000
Road lcience per year	5,000
Driver's wage per month	2,000
Cost of diesel per litre	8
Tyre maintenance per kilometers	2
Estimated life	1,50,000 kilometers
Kilometers per litre of diesel	8
Estimated annual kilometers run	6,000

15. write short notes on: a) Physical unit method b)Average unit cost method c) survey method d)Contribution Margin method, and e) standard cost method of apportioning joint cost among joint product.

16. A factory produces three products which originate from a joint process. Cost incurred and the relevant details are:

Joint Costs:

Materials	15,000
Labour	7,000
Overheads	6,900
Total	28,900

Subsequent Processing Costs:

	Product A (Rs)	Product B (Rs)	Product C (Rs)
Material	3,500	3,000	2,500
Labour	1,500	1,200	900
Overheads	1,000	800	700
Total	**6,000**	**5,000**	**4,100**
Sales Value	28,000	22,000	15,000
Estimated profit on sales	25%	20%	30%

Prepare a statement showing apportionment of joint cost under Reverse cost method.

17. Raymond Limited has prepared the budget for the production of 1,00,000 units from a costing period as under:

	Per unit(Rs)
Raw materials	10.08
Direct Labour	3.00
Direct expenses	0.40
Works Overheads (60% fixed)	10.00
Administration overhead (80%fixed)	1.60
Sales overhead (50% fixed)	0.80

Actual production in the period was only 60,000 units. Prepare budgets for the original and revised levels of output.

18. The fixed cost of a concern amounts to ₹ 80,000 and percentage of varible cost is 60%. If sales at 100% capacity is ₹ 5,00,000, find out Break even Point and Percentage of Sales when it occured. Determine profit at 75% Capacity.

19. What are the preliminaries taken for the installation of a system of Budgetary Control?

20. Explain the distinguishing features of absorption costing.

21. You are given the following data:
Budgeted Output- 1,00,000 units
Fixed Expenses- Rs. 2,00,000
Variable cost per unit - Rs.6
Selling Price Per Unit- Rs. 10
Draw a Break Even Chart showing the Break Even Point.

(6×5=30)

Part C

*Answer any **two** questions.*

*Each question carries **15** marks.*

22. KHB Construction Ltd has undertaken two contracts on Oct 1, 2018. The position of the contracts on September 30, 2019 is as follows-

	Contract I	Contract II
	Rs	Rs
Contract Price	27,00,000	60,00,000
Materials	5,80,000	10,80,000
wages paid	11,24,000	16,50,000
other expenses	28,000	60,000
Plant at site	1,60,000	3,00,000
unused materials at site	40,000	60,000
wages accrued	36,000	54,000
other expenses due	4,000	9,000
work certified	16,00,000	30,00,000
cash received	12,00,000	22,50,000
work uncertified	80,000	90,000

The plant at site is to be depreciated at 10%. Prepare the contract account in respect of each work showing the notional profit and profit to be transferred to profit and loss account.

23. Product Z is obtained after it passes through three distinct processes. Following information's is available

	Process 1	Process 11	Process 111	Total
Direct materials	2600	1980	2962	7542
Direct labour	2000	3000	4000	9000
Production overheads	---------------	--------	-------------	9000

1,000 units @ Rs.3 each were introduced to Process 1. Production overhead is recovered on 100% of direct wages. Following additional data are obtained:

Process	Out put	percentage of normal loss to input	Value of scrap per unit
1	950	5%	2
11	840	10%	4
111	750	15%	5

Prepare process Account and Abnormal Gain or Loss Account.

24. A company has capcity of producing 1,00,000 units of a certain product in a month . The schedule of prices is given below

Volume of Output (%)	Selling prices per unit (₹)
60	90
70	80
80	75
90	67
100	61

The variable cost of manufacture is ₹ 15 per unit and fixed costis ₹ 40 Lakhs.

1. State at what volume of production will the profit be maximum?
2. If there is a bulk offer at ₹ 40 per unit for the balance capacity over maximum profit volume for export and the price quoted will not affect the international and local market , will u advice accepting this bid? Acceptance will entail an additional fixed cost of ₹ 1,00,000 per month.

25. From the following information, prepare a cash budget for the month April, May and June 2018

Month	Sales	Purchases	Wages	Overheads
February	90,000	86,000	5,000	6,000
March	1, 00,000	70,000	3,000	5,000
April	95,000	87,000	6,000	5,000
May	80,000	60,000	4,000	7,200
June	1, 20,000	60,000	5,000	8,000

Customers credits are allowed a period of one month.

Creditors allowed a time lag of two months for making payments.

Time lag in payment of wages is one month. Overheads of a month are paid in the first week of the next month.

A plant is to be purchased for cash in May for Rs. 22,000.

All purchases and sales are on credit terms.

Opening cash balance is Rs. 8500

(2×15=30)