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QP CODE: 22100970

Reg No :

Name :

**B.COM DEGREE (CBCS) REGULAR / REAPPEARANCE EXAMINATIONS,
APRIL 2022**

Sixth Semester

CORE - CO6CRT17 - COST ACCOUNTING - 2

(Common to all B.Com Degree Programmes)

2017 Admission Onwards

D31A36ED

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 notional profit?
2. Compute the economic batch quantity for a company.
Monthly demand for the component 2000 units
Set up cost per month Rs. 120
Annual rate of interest 6%
Cost of manufacture per unit Rs.6
3. From the following information, calculate passenger kilometres:
Number of buses : 10
Days operated in a month : 28
Trips made by each bus : 2
Distance of route : 25 kms (one side)
Seating capacity : 50 Passengers
Normal passengers travelling: 80% of capacity
4. What are the difference between hotel boarding costing and hotel lodging costing.
5. What are the advantages of cost plus contract to the Contractor?
6. Name the four important aspects of process costing.
7. Write a short note on Waste and Defectives in Process Costing.



8. Distinguish between marginal cost and direct cost.
9. What is Break-Even Point?
10. Define marginal costing. point out the merits and demerits of marginal costing.(any two)
11. What is Material Budget?
12. Define ZBB.

(10×2=20)

Part B

Answer any **six** questions.

Each question carries **5** marks.

13. In a factory in a month three jobs were commenced. The materials and labour used on them were as follows.

	Job 1	Job 2	Job 3
Materials	Rs. 4,000	4,500	2,700
Labour	5,100	8,300	1,400

Works overhead is charged at 60% of labour and office expenses at 10% of works cost. Job 1 and Job 2 were completed but Job 3 was still in progress.

Prepare the job accounts.

14. ABC company is running 6 buses between two towns which are 40 kms apart. Seating capacity of each bus is 50 passengers. The following particulars were obtained from their books for April 2019.

Wages of Drivers and conductors	2,00,000
Office staff salary	80,000
Cost of Diesel and oil	2,00,000
Repairs and maintenance	60,000
Tax and Insurance	1,20,000
Depreciation	1,30,000
Interest and other charges	1,00,000

Actual passengers carried were 80% of the seating capacity. All the Six buses run on days of the month. Each bus made one round trip per day. Find out the cost per passenger kilometer

15. 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.



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

Joint Costs:

Materials	30,000
Labour	14,000
Overheads	13,800
Total	57,800

Subsequent Processing Costs:

	Product A	Product B	Product C
	(Rs)	(Rs)	(Rs)
Material	7,000	6,000	5,000
Labour	3,000	2,400	1,800
Overheads	2,000	1,600	1,400
Total	12,000	10,000	8,200
Sales Value	56,000	44,000	30,000
Estimated profit on sales	25%	20%	30%

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

17. Distinguish between Marginal costing and Differential costing?
18. From the following Calculate P/V Ratio, Break- Even Point in Units and in Value and Margin of Safety:
- Budgeted output 50,000 units
- Selling price per unit ₹ 20
- Fixed Expenses ₹ 300,000
- Variable Cost per unit ₹ 10
19. Explain market value method of apportioning joint cost to joint products. Give examples of each.
20. From the following information find out the overhead costs at 70%, 80% and 90% capacity and also determine the overhead rates:

Variable Overheads:

Indirect labour	15,000
Indirect materials	9,400

Semi- variable overheads:

Repairs and maintenance (60% fixed)	5,000
Power (50% variable)	20,000

Fixed overheads:

Office expenses	20,000
Depreciation	15,000
Others	8,000
Estimated direct labour hours	1, 40,000

Expenses at 50% capacity



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

(6×5=30)

Part C

Answer any **two** questions.

Each question carries **15** marks.

22. M/S Arun Nayak and Company undertook a contract on 1-1-2019. The contract price was Rs. 10,00,000. From the following particulars, prepare a Contract account for the year ended 31/12/2019

	Amount		Amount
Machinery installed	50,000	Cash received	4,50,000
Materials issued	1,60,000	Retention money	50,000
Labour	1,30,000	cost of work not certified	20,000
Direct expenses	6,000	materials on hand	4,000
Overhead charges	5,000	wages accrued	3,000
materials returned	2,000	value of machinery at the end	38,000

General plant costing Rs. 1,00,000 was used for 3 months. Depreciation at 20% p.a is to be provided. Material costing Rs. 2,000 were sold for Rs. 3,000. In addition scraps were sold for Rs. 1,000. Material costing Rs. 8,000 were lost and Rs. 5,000 had been recovered from insurance company.

23. A manufacturing Co. finds that while it costs Rs.6.25 to make component" X725" , the same is available in the market at Rs 5.75 each, with an assurance of continued supply. The breakdown of the cost is:

Materials	Rs 2.75 each
Labour	Rs 1.75 "
Other variables	Rs 0.50 "
Depreciation and other fixed cost	Rs 1.25 "

Total	Rs 6.25

a. Should you make or buy?

b. What would be your decision, if the supplier offered the component at Rs 4.85 each?