



23105295

QP CODE: 23105295

Reg No :

Name :

**B.COM DEGREE (CBCS) REGULAR / REAPPEARANCE EXAMINATIONS,
MARCH 2023**

Sixth Semester

CORE - CO6CRT17 - COST ACCOUNTING - 2

(Common to all B.Com Degree Programmes)

2017 Admission Onwards

B2BA1814

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 historical costing?
2. Monthly demand for a product 2000 units
Setting up cost per batch Rs. 120
Cost of manufacturing per unit Rs. 6
Rate of interest 6% p.a
Determine economic batch quantity.
3. What are the disadvantages of Cost Plus Contract to the Contractee?
4. What is log sheet?
5. Calculate the passenger kilometres covered by a fleet of 4 taxis run by Veena Travels from Cochin to Guruvayoor, which are 90 kms apart and back, 4 trips each day with 5 passengers on an average on each vehicle, for the month of April 2019.
6. What are co-products?





7. Explain the treatment of abnormal loss in process cost accounts.
8. What is P/V Ratio?
9. What is Break-Even Point?
10. Give any two disadvantages of Marginal Costing.
11. Distinguish between Fixed Budget and Flexible budget.(any two)
12. What is Rolling Budget?

(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
Material returned to stores	-	50
Materials transferred from 102 to 101	100	

Find the cost of each job.

14. A road transport company which keeps a fleet of carriers gives the following information for the month of June 2019

	Amount
Salaries and wages	20,000
Diesel and Oil	40,000
Repairs and Maintenance	20,000
Garage Rent	10,000
Road Tax	40,000

Original cost of vehicles is Rs. 10,00,000. Depreciation at 25% per annum on original cost is required. Licence and insurance expenses for the year were Rs. 60,000. 30,000kms were the running distance for June.

Prepare a statement showing cost per running kilometre for the month.





15. Explain a) Standard cost method and b) market value method of apportioning joint cost to joint products with examples.
16. Production of chemical X, yields by-products Y and Z also. The joint expenses of manufacture are

	Rs
Material	5000
Labour	4000
Overhead	4500
Total	13500

The subsequent expenses are

	X	Y	Z
Materials	1000	800	900
Labour	1200	700	850
Overheads	1300	500	750
TOTAL(Rs)	3500	2000	2500
Sales(Rs)	21000	10000	9000
Profit on sales(%)	50%	50%	33.33%

Prepare a statement showing apportion of joint cost using reverse cost method.

17. What is the difference between marginal costing and absorption costing?
18. The sales and profit of a company during two years were as follows:

Year	Sales (Rs.)	Profit (Rs.)
2019	76,000	(4,800) - Loss
2020	1,30,000	6,000

Calculate

- a. P/V Ratio b. BEP c. Sales to earn a profit of Rs 10,000/-
 d. Profit at a sale of Rs 1,20,000/-
19. You are given the following data:
 Budgeted Output- 80,000 units
 Fixed Expenses- Rs. 4,00,000
 Variable cost per unit - Rs.10





Selling Price Per Unit- Rs. 20

Draw a Break Even Chart showing the Break Even Point.

20. From the following information find out the overhead costs at 60%, 70% and 80% capacity and also determine the overhead rates:

	Expenses at 50% capacity
Variable Overheads:	
Indirect labour	10,000
Indirect overheads	6,400
Semi- variable overheads:	
Repairs and maintenance (60% fixed)	6,000
Electricity (50% variable)	24,500
Fixed overheads:	
Office expenses	50,000(including salaries)
Insurance	5,000
Depreciation	15,000
Estimated direct labour hours	1,20,000

21. Enumerate the steps involved in budgetary control.

(6×5=30)

Part C

Answer any two questions.

Each question carries 15 marks.

22. Smart Construction company commenced a contract work on 1/1/2019. The following particulars are given in connection with Contract No. 505 for the year ending 31/12/2019:

	Amount
Contract Price	18,00,000
Work Certified upto 15/12/2019	12,00,000
Contractee's account(Cash received)	9,60,000
Materials issued	3,60,000
Direct wages paid	3,10,000
Overheads incurred	18,000
Sub contract cost	16,000
Depreciation on plant for the whole year	24,000
Cost of Extra Work	7,000
Recoveries for Extra Work	8,000





Materials at site on 31/12/2019 6,000

The expenditures given above include expenses incurred after December 15th also. Such expenses are:

Amount

Materials used	21,000
Direct wages	8,000
Overheads	1,500
Depreciation	800

Prepare Contract Account

23. A company produced three chemicals during the month of January 2020 by three consecutive processes. In each process, 2% of the total weight put in is lost and 10% is scrap from which process (1) and (2) realised Rs.100 per tonne and from process (3) 10% scrap at Rs.20 per tonne. The product of three processes is dealt with as follows:

	Process I	Process II	Process III
Passed to Next Process	75%	50%	---
Passes to Warehouse for sale	25%	50%	100%

	Process I		Process II		Process III	
	Ton	Rs	Ton	Rs	Ton	Rs
Raw Materials	1,000	1,20,000	140	28,000	1,348	1,07,840
Wages		20,500		18,520		15,000
Overheads		10,300		7,840		3,100

Prepare Process Cost Accounts, showing the cost per tonne of each product.

24. The following details relate to Products J and K.

	J	K
Sale price per unit Rs	80	100
Materials per unit (Rs 10 per kg) Rs	20	40
Direct Wages per unit (Rs 4 per hour) Rs	28	20
Variable overhead per unit – Rs	4	10

Total fixed overheads were Rs 12,000.

Which product is preferred if:

- Total sales potential in units is limited.
- Total sales potential in rupees is limited.





- c. Raw material is in short supply.
- d. Production capacity in terms of labour hour is limited.

25. Prepare Cash Budget for three months from April to June 2022 if it is estimated that cash in hand on April 1st 2022 is Rs 40000.

Other details are as follows:

Month	Sales -Rs	Purchases- Rs	Wages- Rs	Expenses- Rs
February	120000	80000	10000	7000
March	130000	98000	12000	9000
April	70000	100000	8000	5000
May	116000	103000	10000	10000
June	85000	80000	8000	6000

1. Sales- 10% is realized in the month of sale and balance in 2 equal installments in the subsequent two months.
2. Purchases-Creditors are paid on the month following the supply.
3. Wages- 20% arrears paid in the next month.
4. Sundry expenses-paid in the month itself.
5. Income tax of Rs 20000 payable in June.
6. Income from investment Rs 2000 received half-yearly in March and September.
7. Dividend Rs. 12000 payable in June.

(2×15=30)

