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QP CODE: 20100480
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Reg No : ....
Name : ....

BCOM DEGREE (CBCS) EXAMINATION, MARCH 2020

Sixth Semester

Core course - CO6CRT17 - COST ACCOUNTING - 2

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,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 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

2017 Admission Onwards

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Instructions for 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

Time: 3 Hours

Maximum Marks :80

Part A

*Answer any **ten** questions.*

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

1. Explain the treatment of plant and machinery in contract accounts.

2. Compute economic batch quantity with the following information.
   Annual demand for the component 24000 units
   Set up cost per batch Rs. 200
   Carrying cost per unit of output Rs. 0.50

3. What are the advantages of Cost plus contract to the contractee?

4. What are the cost units used in operating costing?

5. Cochin corporation Ltd employs 80 vehicles of 5 Tonnes capacity for the removal of its garbage by motor vehicles transport. On an average each vehicle makes 4 trips a day, covering a distance of 8 kms in each trip. Load actually carried is 80% of the capacity on an average. Similarly on an average basis 20% of the vehicles are laid up for maintenance on any given day. The vehicles run 30 days a month.
   Calculate the Tonne- Kilometres per month.

6. Discuss features of by-products

Turn Over

7. Discuss the treatment of Loss in Weight in process costing

8. Distinguish between Contribution and Profit.

9. How do the following reflect on break even point and p/v ratio
a) Increase in total fixed costs; b) Increase in total physical sales.

10. " Marginal costing is helpful for profit planning". explain.

11. Define Budget Centre.

12. What are the steps in performance budgeting?

(10×2=20)

Part B

Answer any **six** *questions.*

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

13. From the following information, prepare job cost sheet for Job. No. 150

Direct Material consumed	Rs. 1,000
Direct Wages paid	Rs. 2,000
Factory expenses	60% on wages
Office expenses	20% on factory cost

The tender should include a profit of 20% on selling price.

14. A transport company is running 4 buses between two towns which are 50 kms apart. Seating capacity of each bus is 40 passengers. The following particulars were obtained from their books for April 2019.

Wages of Drivers and conductors	2,40,000
Office staff salary	1,00,000
Cost of Diesel and oil	4,00,000
Repairs and maintenance	80,000
Tax and Insurance	1,60,000
Depreciation	2,60,000
Interest and other charges	2,00,000

Actual passengers carried were 75% of the seating capacity. All the four buses run on days of the month. Each us made one round trip per day. Find out the cost per passenger kilometer.

15. Explain the methods of apportionment of joint cost.

16. You are given the following data:
Budgeted Output- 1,00,000 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.

17. Give a comparative description of absorption costing and marginal costing.

18. From the following particulars calculate P/V Ratio, Break Even Sales, and Fixed Costs.
Profit ₹ 2000 which represents 10% of sales, Margin of Safety ₹ 10,000

19. 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 (Rs)	Product B (Rs)	Product C (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.

20. Godrej Ltd is currently operating at 70% of its capacity. In the past two years, the levels of operations were 50% and 60% respectively. Presently, the production is 70,000 units. The company is planning to utilize its full capacity during 2019-2020. The cost details are as follows:

	50%	60%	70%
Direct Materials (Rs)	1, 10,000	1, 30,000	1, 50,000
Direct Labour	55,000	65,000	75,000
Factory Overhead	31,000	33,000	35,000
Selling Overheads	32,000	36,000	40,000
Administrative Overheads	16,000	16,000	16,000
	2,44,000	2,80,000	3,16,000

The following increases in costs are expected during the year:
Direct Materials – 8%, Direct Labour and variable factory overheads at 5%, Variable selling overheads -8%, fixed factory overheads and administration overheads at 10% and fixed selling overheads at 15%. Prepare a flexible budget for the period 2019-2020 at 100% capacity.

21. Enumerate the steps involved in budgetary control.

(6×5=30)

Part C

Answer any ***two*** *questions.*

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

Turn Over

22. The following particulars relate to a contract for Rs. 40,00,000

	2017	2018	2019
	Rs	Rs	Rs
Materials	4,50,000	7,00,000	6,00,000
Wages	4,30,000	6,00,000	5,00,000
Expenses	20,000	50,000	16,000
Carriage	20,000	60,000	50,000
Work Certified	9,00,000	30,00,000	40,00,000
Work Uncertified	10,000	50,000	-

Plant costing Rs. 1,00,000 was purchased in the beginning of the contract and depreciation was charged at 25% per annum. The contractee was to pay 80% of work certified every year and settle the account in 2019. Prepare Contract account and Contractees account for three years.

23. The product of Alpha company Ltd pass through 3 processes X, Y& Z. The normal wastage of the three process are 2%, 5%, & 10% respectively which are to be calculated on the number of units that enter into each process. The scrap value of wastage of each process are Rs10, Rs40, & Rs20 per 100 units respectively. It is assumed that output of each process is transferred to next process. Prepare process accounts on the basis of the following information .

	X	Y	Z
Materials consumed	6000	2000	2000
Direct labour	4000	3000	3000
Manufacturing Expenses	1000	2000	1000

10,000 units were put into process X at a cost of Rs 8000. The output of each process has been

X- 9800 units	Y- 9200 units	Z-8350 units

24. The following set of information is presented to you by your client ACC Ltd. producing two Products **X** and **Y**

Particulars	**X (₹)**	**Y (₹)**
Direct Material cost per unit	20	18
Direct wages per unit	6	4
Selling price per unit	40	30

Fixed Overhead : ₹ 1600

Variable Overhead : 100% of Direct wages

Proposed Sales Mix :

1. 100 units of X and 200 units of Y
2. 150 units of X and 150 units of Y
3. 200 units of X 100 units of Y

As a cost accountant you are requested to present the management of ACC Ltd. the following:

1. Marginal Cost and contribution per unit

2. Total contribution and profit from each sales mix

3. The propsed sales mixes to earn a profit of ₹ 300 and ₹ 600 with total sales of X and Y being 300 units.

25. Prepare a cash budget for the three months from 2018 July to September from the given information

	May	June	July	August	September
Sales	95,000	1,10,000	1,50,000	1, 25,000	1, 35,500
Purchases	80,000	78,000	1,10,000	1,20,000	1, 00,000
Wages	6,000	7,500	8,800	9,000	8,400
Factory overheads	3200	1280	780	2,300	840
Admn. Expenses	6,000	6,200	6,800	9,500	4,700
Selling expenses	4.000	4,500	4,300	4,400	5,200

Additional information:

A dividend of Rs. 10,500 will be paid in June

Period of credit allowed by suppliers is two months and to customers 8 weeks

Time lag for making payments of wages and overheads

Wages	1/8th month
Factory overheads	4 weeks
Administration overheads	6 weeks
Selling overheads	6 weeks

Plant purchased, June- 28,000, payable on delivery

Machinery purchased, June Rs 60,000, payable in two half yearly instilments, the first in July.

Cash and bank balance on 1st July, 2018 was Rs. 18,000.

(2×15=30)