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**BCMCMCN 402**

**IV Semester B.Com. Degree Examination, June/July 2024  
(NEP-2020) (2022-23 Batch Onwards)  
COSTING METHODS AND TECHNIQUES (DSCC)**

Time : 2 Hours

Max. Marks : 60

**SECTION – A**

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

**(5×2=10)**

1. What is job costing ?
2. What is retention money ?
3. What is abnormal gain ?
4. Give two names of industries where operating costing may be applied.
5. What is activity based costing ?
6. What is meant by Break Even Point ?
7. What is meant by Budgetary control ?
8. What is meant by Material variance ?



**SECTION – B**

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

**(4×5=20)**

9. Prepare Job Cost Sheet No. 5025 from the following information.

Materials Rs. 8,000

Wages : Department A : 25 hours @ Rs. 20 per hour

Department B : 50 hours @ Rs. 30 per hour

Department C : 100 hours @ Rs. 20 per hour

Variable overheads Rs. 6 per hour

Fixed overhead Rs. 40,000 for 10000 working hours

Calculate the cost of Job No. 5025 by preparing Job Cost Sheet and price of job to earn a profit of 20% on selling price.

P.T.O.



10. Alok Travels has four buses, operating between two cities Mangalore and Kollur which are 140 kms apart. Each bus makes two trips a day. The seating capacity is 50 seats. On an average 80% seats are occupied. Calculate passenger kms for the month of July 2022 in which each bus was laid down for six days for repairs.
  
11. Prepare a flexible budget for the production at 80% activity on the basis of the following information :  
 Production at 50% capacity : 10000 units  
 Raw materials Rs. 80 per unit  
 Direct labour Rs. 50 per unit  
 Direct expenses Rs. 15 per unit  
 Factory expenses Rs. 50,000 (50% fixed)  
 Administrative expenses Rs. 60,000 (40% fixed).
  
12. Calculate labour cost variance, labour rate variance and labour efficiency variance from the following figures :  
 Standard wage rate per hour Rs. 20  
 Standard hours 4,000  
 Actual wages paid Rs. 78,400  
 Actual hours worked 5,600.
  
13. Calculate break-even point, both in rupees and units from the following information :  
 Fixed expenses Rs. 3,60,000  
 Variable cost per unit Rs. 22  
 Selling price per unit Rs. 31.
  
14. Explain cost drivers and cost pools.

SECTION – C

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

(2×15=30)

15. XYZ Ltd. furnishes the following information of its cost and profit for the year 2021 and 2022.

Year	Cost (Rs.)	Profit (Rs.)
2021	12,00,000	2,00,000
2022	15,00,000	3,00,000



Compute the following :

- a) P/V ratio
- b) Fixed cost
- c) Variable cost
- d) Margin of safety for 2021 and 2022
- e) Most likely profit when sales are Rs. 20,00,000
- f) Break even point
- g) Estimated sales when the desired profit is Rs. 2,50,000.

16. An engineering company has undertaken the construction of a bridge. The following particulars for the year ended 31-3-2023 are given.

	Rs.
Materials	1,00,000
Issued from stores	20,000
Wages	90,000
General plant	2,00,000
Depreciation thereon	20,000
Direct expenses	7,000
General overheads	4,000
Materials at site on 31-3-23	2,000
Materials lost by fire	700
Wages accrued on 31-3-23	10,000
Direct expenses accrued on 31-3-23	1,000
Value of work certified	3,18,000
Value of uncertified work	9,000



The contract price was Rs. 4,30,000 and it is a practice of the contractee, as per the terms of the contract, to retain 10% of the work certified. Prepare the contract account and show how the items appear in the Balance Sheet.



17. A product passes through three distinct processes to completion. During the year ending 31 March 2022, the cost and production were as under.

Particulars	Process A	Process B	Process C
Other Materials (Rs.)	20,000	30,000	32,000
Direct Labour (Rs.)	30,000	40,000	50,000
Direct Expenses (Rs.)	5,000	3,000	2,000
Normal loss in input	10%	5%	10%
Sale of scrap per unit (Rs.)	30	50	60
Production in units	920	870	800

1,000 units at the rate of Rs. 60 per unit are introduced to Process A.

Total production overheads Rs. 60,000, which is allocated to each process on the basis of direct labour.

Prepare process accounts, abnormal loss account and abnormal gain account.

18. From the following information prepare a monthly cash budget of Suman Ltd. for the three months ending 31 October 2022.

Month	Sales (Rs.)	Purchases (Rs.)	Wages (Rs.)	Manufacturing expenses (Rs.)	Office expenses (Rs.)	Selling expenses (Rs.)
June	1,80,000	1,24,800	12,000	3,000	2,000	2,000
July	1,92,000	1,44,000	14,000	4,000	1,000	4,000
August	1,08,000	2,43,000	11,000	3,000	1,500	2,000
September	1,74,000	2,46,000	12,000	4,500	2,000	5,000
October	1,26,000	2,68,000	15,000	5,000	2,500	4,000
November	1,40,000	2,80,000	17,000	5,500	3,000	4,500
December	1,60,000	3,00,000	18,000	6,000	3,000	5,000

**Additional information :**

- Cash on hand 01/08/2022 Rs. 25,000.
- 50% of credit sales are realized in the month following the sale and the remaining 50% in the second month following.
- Creditors are paid in the month following the month of purchase.
- Lag in payment of all expenses one month.