SAINTS COLLEGE LIBRARY TRIVANDRUM

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Reg. No. : .....

Name : .....

Sixth Semester B.Com. Degree Examination, April 2019
First Degree Programme Under CBCSS
Core Course : CO 1642/CX 1642/TT 1642/ HM 1642
APPLIED COSTING
(2013 Adm.)
(Common for Commerce/Commerce and Tax Procedure and Practice/ Commerce and Tourism and Travel Management/Commerce and Hotel Management and Catering)

Time : 3 Hours Max. Marks : 80

SECTION – A

Answer **all** questions. **Each** question carries **1** mark.

1. What is Material Yield Variance ?
2. What is Material Cost Variance (MCV) ? Explain any two of its sub-variances.
3. What is Key Factor ?
4. What is Margin of safety ?
5. What is power house costing ?
6. Give two examples of joint product.
7. What is abnormal loss ?
8. What is abnormal gain ?
9. What is cost plus contract ?
10. Define batch costing. **(10×1=10 Marks)**

SECTION – B

Answer **any 8** of the following. **Each** question carries **2** marks.

11. What do you mean by job cost sheet ?
12. Explain economic batch order.

P.T.O.

13. Explain work uncertified.

14. Explain sub-contract.

15. Input to process B is given as 17500 units. Normal loss expected is 10% of the input. If the actual production is 15500 units. Calculate Abnormal Loss/Abnormal Gain.

16. A transport company is running 4 buses between 2 tours which are 60 kms apart. Seating capacity of each bus is 50 passengers. Actual passengers carried were 75% of the sitting capacity. All the four buses run on all the days of the month of April 2018. Each bus made one round trip/day. Calculate total km and passenger km for the month.

17. Calculate Material Cost Variance. Standard; 20 kg @ Rs. 5/kg actual – 22 kg @ Rs. 6/kg.

18. Standard prize is Rs. 5/unit. Standard quantity is 16 kg. Actual quantity used 20 kg. Calculate Material Usage Variance (MUV).

19. State the marginal cost equation.

20. From the following calculate the amount of contribution and profit; sales Rs. 8 lakhs, variable cost – Rs. 4 lakhs, fixed cost Rs. 2 lakhs.

21. Determine the amount of fixed cost from the following using marginal cost equation. Sales = Rs. 10 lakhs; variable cost = Rs. 6 lakhs; profit = Rs. 1,50,000.

22. Contribution of a concern is Rs. 4 lakhs and its PV ratio is 50%. Find out its sales value.

(8×2=16 Marks)

SECTION – C

Answer **any 6** of the following. **Each** question carries **4** marks.

23. The following relates to a particular period. Sales – Rs. 2 lakhs; Variable cost – Direct material Rs. 60,000; Direct labour Rs. 40,000; Variable overheads – Rs. 20,000; Fixed cost Rs. 40,000. Calculate
    1) PV ratio
    2) Sales to earn a profit of Rs. 80,000.
    3) Profit at a sale of Rs. 4 lakhs.

24. Explain Cost Volume Profit (CVP) analysis.

25. Standard estimate for materials for manufacture of 1000 units of a commodity is 400 kg @ 2.50/kg. When 2000 units of the commodity are manufactured it is found that 820 kg of material are consumed @ 2.60/kg. Calculate the material variances.

26. Differences between budgetary control and standard costing.

27. List out any six items which are included under electricity generation cost.

28. Opening stock of working progress is 8000 units 40%. Complete units put into the process – 60000 units. Units completed – 64000. Closing stock of work in progress – 4000 units 60% complete. Calculate equivalent production.

29. Differences between marginal costing and absorption costing.

30. A product passes through 2 distinct processes. Process 1 and 2 prepare process accounts.

	Process 1	**Process 2**
Direct material	21,000	3,000
Direct labour	15,000	7,000
Direct expenses	4,000	2,000
Overheads	3,000	1,000

Production during the period was 1000 units with no stock of raw material or work in progress either at the beginning or at the end of the period. Show the Process Account.

31. Explain
    A) Retention money
    B) Escalation clause.

(6×4=24 Marks)

SECTION – D

Answer **any 2** of the following. **Each** question carries **15** marks.

32. Write an essay on various managerial application of marginal costing.

33. City Bus Services Ltd., run the following flect of buses within the limits of Trivandrum City.

    10 buses with a capacity of 50 passengers

    15 buses with a capacity of 40 passengers

    On an average, each bus makes 10 trips a day covering a distance of 8 kms in each trip and 75% of seats are occupied. Annual record show that 5 buses are generally required to be kept away from the road each day for repairs. Calculate the effective passenger kilometers for the month of March 2010.

34. Star Builders Ltd. undertook a contract on 1-1-2010 and the following expenses were incurred during the year.

	Rs.
Material issued from Store	3,000
Material directly purchased	70,000
Wages	50,000
Wages outstanding	5,000
Indirect expenses	20,000
Plant sent to site	1,00,000
Material returned to store	5,000
Material at site on 31-12-2010	4,000
Work uncertified	25,000

Cash received from the contractee during the year amounted to Rs. 1,20,000, which is after deducting 20% retention money. Provide depreciation of plant at 15% per annum. Contract prize was Rs. 4,00,000.

Prepare Contract Account and Work in Progress Account. Also show related items in the Balance Sheet of Star Builders.

35. The standard cost of a certain chemical mixture is as follows :

40% of material A at Rs. 25/kg.

60% of material B at Rs. 36/kg.

A standard loss of 10% is expected in production.

During the period they used.

150 kg of material A at Rs. 25/kg

260 kg of material B at Rs. 34/kg.

The actual output was 360 kg.

Compute Material Cost Variance, Material Price Variance, Material Usage Variance, Material Mix Variance and Material Yield Variance.

(2×15=30 Marks)