



VI Semester B.Com. Degree Examination, May/June 2016
COST ACCOUNTING – II (New)

Time : 3 Hours

Max. Marks : 80

SECTION A

Answer any ten of the following .

(2×10 = 20)

1. Give two examples of Industries where unit Costing can be applied
2. How do you treat Sale of scrap in contract costing ?
3. What is work uncertified ?
4. Mention the method of costing used by oil mills
5. What is Terminal Costing ?
6. What is scrap ?
7. Mention the cost unit adopted by Cinema Theatre
8. What is B.E.P. ?
9. What is the formula to calculate P/V ratio ?
10. What is Prime cost ?
11. Mention any two of the supply services.
12. Mention any two types of variances in standard costing.



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SECTION - B

(3×5 = 15)

Answer **any three** of the following :

13. From the following particulars you are required to prepare a statement showing :

- a) Prime cost
- b) Works cost
- c) Cost of production and
- d) Profit/Loss

stock of finished goods on 1-1-2009	-	Rs 73,000
Stock of raw materials on 1-1-2009	-	Rs 35,000
Purchases of Raw materials	-	Rs 7,60,000
Productive wages	-	Rs 5,20,000
Stock of finished goods on 31-12-2009	-	Rs 82,500
Stock of Raw Materials on 31-12-2009	-	Rs 37,500
Sale of finished goods	-	Rs 15,45,000
Works on cost	-	Rs 1,30,000
Office on cost	-	Rs 69,000

4. The value of Plant issued to the contract was Rs. 50,000 of the plant issued, plant costing Rs. 5,000 was destroyed by accident before reaching the contract site. At the end of the year Plant costing Rs. 7,500 was sold for Rs. 6,000 and plant costing Rs. 12,000 was returned to the stores. Provide depreciation on plant at 10% p.a. Calculate the closing Value of Plant.



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SECTION – C

(3×15 = 45)

Answer **any three** of the following :

18. A factory uses Job costing. The following cost data is obtained from its books for the year ended 31st December 2014

Direct materials	–	Rs. 90,000
Direct wages	–	Rs. 75,000
Factory overheads	–	Rs. 45,000
Office overheads	–	Rs. 42,000
Selling and Distribution overheads	–	Rs. 52,500
Profits	–	Rs. 60,900

- a) Prepare a Job cost sheet indicating the Prime cost; works cost; production cost; Cost of sales and the sale value.
- b) In 2015, the factory receives an order for a number of Jobs. It is estimated that Direct materials required will be Rs. 1,20,000 and Direct Labour will cost Rs. 75,000. The factory recovers factory overheads as a percentage of direct wages and office and selling and distribution overheads as a percentage of Works Cost. It is assumed that selling and distribution overheads have gone up by 20%. Prepare a Job Cost Sheet to find out the price for these jobs, if the factory wants to maintain the same rate of Profits on sales prevailing in the previous year.



19. From the following data relating to a contract extracted from the books of a company as on 31st March 2006, prepare the Contract Account. Also calculate the Profits to be credited to P&L A/c, if 1/3rd of Notional Profits is kept as reserves.

Materials issued for work	–	Rs 90,000
Wages paid to workers	–	Rs 50,000
Plant issued to site	–	Rs 75,000
Salary of supervisory staff	–	Rs 5,500
Work certified for payment	–	Rs 1,76,000
Work not certified	–	Rs 9,000
Amount received on work certified	–	Rs 1,58,400

You are further informed that

- The work on the contract was commenced on 1st October 2005
 - The wages of the workers for a week and salary of supervisory staff for a month were due at the end of the period.
 - The company provides depreciation at 10% p.a. on plant.
 - The value of materials at site on 31-3-2006 was Rs. 4,200.
20. Product A is obtained after it passes through three distinct Processes. The following information is obtained from the books of accounts

Particulars	Total	Process I	Process II	Process III
Direct materials	75,420	26,000	19,800	29,620
Direct wages	90,000	20,000	30,000	40,000
Production overheads	90,000	–	–	–



1,000 units at Rs. 30 each were introduced to Process I. The output of each process passes directly to next process and finally to finished stock. Production overheads are recovered at 100% of direct wages. The following additional data were obtained :

Process	Output (Units)	% of Normal Loss of Input	Value of Scrap per unit
I	950	5%	Rs 20
II	840	10%	Rs 40
III	750	15%	Rs 50

Prepare the Process Accounts.

21. Maruthi travels a transport company is running a fleet of 6 buses between two towns which are 75 kms apart. Seating capacity of each bus is 40 passengers. The following particulars are available for the month of November 2008

Wages of drivers	-	Rs. 14,400
Salary of office staff	-	Rs. 6,000
Diesel etc.	-	Rs. 41,280
Repairs and maintenance	-	Rs. 4,800
Taxes and Insurance	-	Rs. 9,600
Depreciation	-	Rs. 15,600
Other charges and Interest	-	Rs. 12,000

Actual passengers carried were 80% of seating capacity. All the buses run on all the days of the month. Each bus made one trip per day covering a distance of 150 kms.

Find the cost per passenger kilometer.



22. The turnover and Profit during two periods were as follows :

Period	Sales (Rs.)	Profits (Rs.)
I	40 Lakhs	4 Lakhs
II	60 Lakhs	8 Lakhs

Calculate :

- a) P/V ratio
- b) Fixed cost
- c) BEP sales
- d) Sales required to earn a profit of Rs. 10 lakhs and
- e) Profit when sales are Rs. 50 lakhs.
