



B.Com. VI - Semester Degree Examination, May - 2018
COMMERCE
Cost Accounting - II
Paper No. 6.4
(New)

Time: 3 Hours

Maximum Marks : 80

Section - A

Answer any **Ten** of the following :

(10×2=20)

1. What is Prime cost?
2. What is selling and Distribution over head?
3. How do you treat scrap and by produces is output costing?
4. What is retention money?
5. Who is contractee?
6. What is transport costing?
7. State any four objectives and Transport costing?
8. What do you mean by process costing?
9. What is Abnormal loss?
10. What is Profit volume ratio?
11. What is Marginal Cost?
12. What is Job Costing?

Section - B

Answer any **Three** of the following :

(3×5=15)

13. The following direct expenses were incurred on Job No. 555 & GALA T.V. Co.
 1. Materials - Rs. 15030
 2. Wages paid.
Dept. A - 40 hours at Rs. 8 per hour
Dept. B - 50 hours at Rs. 9 per hour
Dept. C - 60 hours at Rs. 5 per hour
 3. Works overhead expenses of these departments were estimated as under.
Dept. A - Rs. 9000 for 6000 working hours
Dept. B - Rs. 10,000 for 5000 working hours
Dept. C - Rs. 12000 for 3000 working hours
 4. Office expenses were Rs. 75000 when the total wages paid in all three departments come to Rs. 2,50,000. It is practice followed in Gala T.V. company to recover office overhead as a % & direct wages.

You are required to calculate the cost of Job NO. 555 its price to be quoted which would include 20% profit on selling price.

[P.T.O.]



14. From the following information calculate the profit to be transferred to profit & loss A/c and reserve.

Contract Price	Rs. 10,00,000
Work certified	Rs. 8,00,000
Work Uncertified	Rs. 50,000
Cash received	Rs. 7,20,000
Estimated profit	Rs. 1,50,000
Notional profit	Rs. 1,60,000

15. From the following information calculate.

- Total kilometers and
- Total passengers kilometers No. of buses = 4
Days operated by a month = 30
Trips made by each bus = 2
Distance of route 100 km (one side 100×2)
Capacity of each bus = 40 passengers
Average passengers travelling 70 % of capacity.

16. Prepare process account abnormal loss gain account from the following particulars.

Materials introduced into the process

5000 units @ Rs. 4

Sundry materials Rs. 5000

Labours Rs. 8000

Over heads Rs. 1600

Normal loss - 4% of input having scrap at Rs. 1 per unit. The actual output is 4600 units.

17. The P/V ratio of Reddy Ltd is 40% margin of safety is 30% and sales Rs. 3,00,000. Calculate.
- BEP.
 - Profit if sales are Rs. 2,50,000
 - Fixed cost.

Section - C

Answer any **Three** of the following :

(3×15=45)

18. The following extract & costing information related to a commodity for the year ended 31.12.2017.

	Rs.
Raw - materials on 1.1.2017	44,000
Work in progress on 1.1.2017	20,560
Purchase & Raw - materials	2,64,000
Direct wages	2,20,000
Carriage inwards	3000
Indirect materials	10000
Counting house salaries	5000



Indirect factory wages	10,000
Drawing office salaries	15,000
Factory rent, lighting & heating	9,000
Office rent and Taxes	20,000
Printing & stationery	5,000
Depreciation on factory building	10,000
Office salaries	17,000
Raw - materials on 31.12.2017	48,000
Work - in - progress on 31.12.2017	4,560

Finished stock on 31.12.2017 (5000 units)

Sales at 20% profit on cost of sales.

Selling and distribution expenses are 50 paise per unit sold. The company product 40,000 units during the year.

You are required to ascertain

- Value of materials consumed
- Prime cost
- Works cost
- Cost of sales and
- Profit.

19. From the following data relating to a contract extracted from the books of a company as on 31.3.2017, prepare contract account :

<u>Particulars.</u>	<u>Rs.</u>
Materials issued for work	90,000
Plant issued to site	75,000
Wages paid on site	50,000
Salary of supervisory staff	5500
Work certified	1,76,000
Work not certified	9000
Amount received on work certified	1,58,400

Additional information :

- The wages of workers for a week and salary of the supervisory staff for a month were O/S at the end of the period.
 - The contract commenced on 1st Oct. 2016.
 - Depreciation on plant is required at 10% p.a.
 - Materials at site on 31st march, 2017 Rs. 4200.
 - Full contract price agreed Rs. 2,50,000.
20. Maruthi travels a transport Co. is running atleast of 6 buses between two towns 75 km apart seating capacity of each bus is 40 passengers. The following particulars are available for the month of November 2017.



- | | |
|---|-------------|
| a) Wages of drivers, conductors, & cleaners | Rs. 14400 |
| b) Salaries of office & supervisory staff | Rs. 6000 |
| c) Diesel and other oil | Rs. 41280 |
| d) Repairs & maintenance | Rs. 4800 |
| e) Tax & Insurance | Rs. 9,600 |
| f) Depreciation | Rs. 15,600 |
| g) Interest & other charges | Rs. 12,000. |

Actual passengers carried on an average were 80% of seating capacity all the buses run on all the days of the month. Each bus made 1 trip per day.

Find out the cost per passenger kilometer.

21. A product pass through two distinct process. A & B and there after to finished stock. From the following information you are required to prepare process cost accounts.

	Process A	Process B
	Rs.	Rs.
Materials consumed	12000	6000
Direct labour	14000	8000
Manufacturing expenses	4000	4000
Input 10,000 units	10,000	—
Output (units)	9400 units	8300 units
Normal wastage	5%	10%
Value of normal wastage (per 100 units)	Rs. 8	Rs. 10

22. Akashavani Tape - recorder company sold 5000 tape - records last year at a price of 1000 each. <https://www.vskub.com>

The cost structure is as follows :

	Rs.
Material	200
Wages	100
Variable overheads	50
Marginal cost	350
Fixed overheads	400
Total cost	750
Profit	250
Selling price	1000

Due to heavy competition, the price will have to be reduced to Rs. 850 in the coming year. Assuming no changes in costs. Calculate the number of tape - recording that should be sold at the new price to get the same total profit as earned in last year.