

B.Com. VI Semester (CBCS) Degree Examination, May/June - 2019

COMMERCE
Cost Accounting - II

Time : 3 Hours

Maximum Marks : 70

SECTION - A

Answer any **FIVE** of the following questions. (5×2=10)

1. What is output costing?
2. What is a statement of cost?
3. What is Job Costing?
4. What is Retention Money?
5. What do you mean by maintenance charges?
6. What is process costing?
7. What is Break Even Point(BEP)?

SECTION - B

Answer any **THREE** questions of the following. (3×5=15)

8. Distinguish between cost sheet and statement of profit.
9. From the following information, prepare an estimate for job no.505.

	Rs.
Raw materials consumed	17,000
Direct wages paid	20,000
Factory expenses	50% on wages.
Office expenses	20% an factory cost.

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

10. Following is the information relating to contract No.222:

Plant on 01-01-2017	Rs.1,00,000
Plant purchased	Rs.7,00,000
Plant issued from stores	Rs.2,00,000

Plant costing Rs. 1,20,000 Sold for Rs. 1,40,000 Plant costing Rs.80,000 returned to stores. Plant costing Rs. 40,000 lost by accident charge depreciation on plant at 10% per annum.

Calculate plant at site on 31-12-2017.

[P.T.O]

11. The Bindu transport Co. Ltd. Operates a fleet of trucks furnishes the following information.

No. of Trucks	Capacity	Capacity utilized
20	20 tons	80%
40	16 tons	50%
60	10 tons	60%

On an average each truck makes 4 trips per day covering a distance of 50 kms. The fleet operates 30 days in a month. The record shows that 10% of the vehicles are laid for repairs everyday.

Calculate effective ton Kms for the period.

12. Explain the advantages and disadvantages of marginal costing.

SECTION - C

Answer any THREE of the following questions.

(3×15=45)

13. Following are the particulars supplied by Manjunath sewing manufacturing company for 800 machines for the year ending 31-3-2017.

Cost of materials	Rs. 32,000
Direct Wages	Rs. 48,000
Manufacturing Charges	Rs. 20,000
Office Salaries	Rs. 24,000
Rent and Taxes	Rs. 4,000
Selling expenses	Rs. 8,000
General expenses	Rs. 12,000
Sales	Rs. 1,60,000

Following estimates were made by the costing department of the company for the year ending 31-3-2018.

- A) The output and sales will be of 1000 machines.
- B) The price of materials will rise by 25% on the previous year level.
- C) Wages during the year will rise by 12½%.
- D) Manufacturing cost will rise in proportion to the combined cost of materials and wages.
- E) Selling cost per unit will remain uncharged.
- F) Other expenses will remain unaffected by the rising output.

From the above information prepare the cost statement showing the price at which the machine would be marked. So as to show a profit of 12½% on the selling price.

14. The following particulars relates to a contract for Rs. 40,00,000.

Particulars	1996	1997	1998
	Rs	Rs	Rs
Materials	4,50,000	7,00,000	6,00,000
Wages	4,30,000	6,00,000	5,00,000
Carriage	20,000	60,000	50,000
General Expenses	20,000	50,000	16,000
Work Certified	9,00,000	30,00,000	40,00,000
Work Uncertified	10,000	50,000	-

Plant costing Rs. 1,00,000 was bought in the beginning of 1996 and depreciation was charged @ 25% on original cost. The Contractee was to pay 80% of work certified every year and settle the a/c at the end of the year.

Prepare contract A/c for three years.

15. A person owns a bus which runs between Bangalore and Mysore and back for 10 days in a month. The distance between Bangalore and Mysore is 130 kms. The bus completes the trip from Bangalore and Mysore and will be back on the same day. The bus goes to Nandi for another 10 days the distance between Bangalore and Nandi is 60 kms. This trip is also completed on the same day for the next 4 days of its operator it runs in the local city daily distance covered is 30Kms.

Calculate the charge to be made by the person when he wants to earn a profit of 25% on his taking. the other information is

Cost of the bus 3,00,000

Depreciation @ 20% p.a.

Salary of Clerk 250 p.m.

Insurance 7,500 p.a.

Diesel consumption 10 Kms per liter costing Rs. 4 per liter tax Rs. 6,000 per annum.

Lubricants Rs. 10 per 100 kms.

Repairs and maintenance Rs. 2,500 P.M.

Permit fees Rs. 1500 P.M.

Normal capacity 50 persons.

The bus generally occupies 90% of the capacity.

[P.T.O]

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16. A groundnut oil company, provides the following cost data. You are required to prepare process account purchase of 10,000 tonnes of groundnut at Rs. 500 per ton.

Particulars	Crushing	Refining	Finishing
Cost of Labour	66,000	30,000	30,000
Electric Power	10,000	5,000	4,000
Sundry Material	7,000	2,000	-
Repairs to plant	5,000	4,000	4,000
Steam	2,500	1,500	1,000
Cost of casts	-	-	5,800

Other factory expenses Rs. 94,500 to be charged at 75% of wages.

Normal loss in process 1 was 30% of Input and the actual output of the process was to 6900 tonnes.

In process 2 900 tonnes of by product was produced value at Rs. 62,000.

In process 3 normal loss was 5% of input value at Rs. 3300 and the actual output of the process was Rs. 5,800 tonn. Scrap is process valued at Rs. 10 tons.

The turnover and profit during two period were as follows.

Year	Sales	Profit
2016	40,00,000	4,00,000
2017	60,00,000	8,00,000

Calculate on:

- i) P/V Ratio
- ii) BEP sales
- iii) Sales required to earn a profit Rs. 10,00,000
- iv) Profit when sales are Rs. 50,00,000.

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