



VI Semester B.Com. Degree Examination, Sept./Oct. - 2021

COMMERCE
Cost Accounting - II (ALL)
(CBCS)

Time : 3 Hours

Maximum Marks : 70

SECTION - A

Answer any five of the following questions.

5x2=10

1. Mention 2 objectives of Cost Sheet.
2. What is Operating Costing ?
3. Name the parties to the contract.
4. State any two characteristics of process costing.
5. What is Contribution ?
6. Give four examples of incomes which are excluded from cost sheet.
7. What is retention money ?

SECTION - B

Answer any three of the following questions.

3x5=15

8. Define cost sheet and describe the objectives of cost sheet.
9. From the following particulars prepare cost sheet.

₹

Opening stock of materials	1,00,000
Closing stock of materials	75,000
Materials issued from stores	20,000
Materials purchased	2,55,000
Direct wages	2,00,000
Sales	8,00,000

Factory overhead 50% of Direct Wages Administrative overhead 25% of factory cost.

10. Following is the information relating to Contract No. 111.
- | | |
|--|------------|
| Plant on 01.01.2007 | ₹ 1,00,000 |
| Plant purchased | ₹ 7,00,000 |
| Plant issued from stores | ₹ 2,00,000 |
| Plant costing ₹ 1,20,000 sold for ₹ 1,40,000 | |
| Plant costing ₹ 80,000 returned to stores. | |
| Plant costing ₹ 40,000 lost by accident. | |
| Charge depreciation on plant at 10% p.a. | |
- Calculate plant at site on 31.12.2007.
11. Kiran Transport Company runs the following buses in the Gulbarga city limits for 30 days in the month.
- 10 Buses of 40 passenger capacity.
 - 10 Buses of 45 passenger capacity.
- On an average each bus makes 10 trips per day covering a distance of 8 kms. In each trip with 80% of seats occupied. Generally 5 buses are kept away from the roads for repairs. Calculate total passenger kilometers.
12. A Ltd has total turnover of ₹ 10 lakhs. It is enjoying 30% margin of safety. Its total variable cost is 60% of sales.
- Determine :
1. Fixed cost
 2. BEP Sales

SECTION - C

Answer any three of the following questions.

3x1

13. The following are the expenses of a company for manufacturing 1000 units for the year ending 2008.

Direct Materials

Stock on 01.01.2008	₹ 60,000
Stock on 31.12.2008	₹ 1,20,000
Purchase	₹ 5,80,000
Direct wages	₹ 3,00,000
Direct expenses	₹ 20,000
Factory overheads (60% variable)	₹ 1,40,000
Administrative overheads (fixed)	₹ 60,000
Selling overheads (70% fixed)	₹ 96,000

Prepare a statement of estimated cost for 2009 and find cost per unit using the following information.

- (a) The output expected to be 3000 units.
- (b) Direct wages are expected to decline by 10%.
- (c) Fixed factory overheads would go up by ₹ 19,000.
- (d) Administrative overheads will rise by 20%.
- (e) Fixed selling overheads will rise by 25%.

14. The following is the summary of entries in a contract ledger of ABC construction company as on 31.12.2002 in respect of contract No. 2 :

	₹
Materials purchased	30,000
Materials from stores	6,500
Wages	17,210
Direct expenses	6,710
Establishment charges	8,000
Plant	34,200
Sale of scrap	1,820
Sub contract cost	7,210

Additional information :

- (a) Accruals on 31.12.2002 are wages ₹ 800 and direct expenses ₹ 1,120.
- (b) Depreciation on plant ₹ 8,550. <https://www.vskub.com>
- (c) Included in the above summary of entries are wages ₹ 1,000 and other expenses ₹ 1,500 since certification. The value of materials used since certification is ₹ 2,080.
- (d) Materials at site on 31.12.2020 cost ₹ 10,000.
- (e) ₹ 62,500 has been certified upto 31.12.2002.
- (f) The total contract price was ₹ 1,00,000.

Prepare Contract No. 2 Account.

15. From the following information calculate the cost per running a kilometer of a vehicle.

	₹
Value of vehicle	3,00,000
Garage rent per annum	4,800
Insurance per annum	2,200
Road tax per annum	6,000
Driver's wages per month	800
Cleaner's wages per month	200
Cost of petrol per litre	16
Miscellaneous expenses per kilometer (Including tyre and maintenance)	2
Estimated life 1,50,000 kilometers	
Kilometers per litre of petrol - 8 kms.	
Estimated annual kilometers run - 10,000 kms.	

16. A product passes through three processes A, B and C. The details of each process are as follows.

Particulars	A	B	C
Input (500 units) (₹)	4,000	-	-
Sundry Materials (₹)	5,200	4,000	2,050
Direct Labour (₹)	4,500	7,360	2,800
Production overhead 100% of wages			
Actual output (units)	450	340	270
Normal Loss (% on input)	10%	20%	25%
Scrap value per unit (₹)	4.00	8.00	10.00

Prepare Process Accounts.

17. From the following information find out :

- P/v Ratio
- BEP
- Sales required to earn a profit of ₹ 90,000
- Profit when sales are ₹ 7,50,000

Year	Sales (₹)	Total cost (₹)
2008	4,50,000	3,90,000
2009	5,10,000	4,35,000

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