

**VI Semester B.Com. Degree Examination,
September/October 2020**

**Cost Accounting – II
(CBCS)**

Time : 3 Hours

Max. Marks : 70

Instructions : Attempt **all** sections according to internal choice.

SECTION – A

Answer **any five** questions from the following :

(5 × 2 = 10)

1. What is cost sheet?
2. What is operating costing?
3. Mention the types of contracts.
4. What is abnormal loss in case of process costing?
5. State any two characteristics of process costing.
6. Define Marginal Costing.
7. What do you mean by Break-Even point?

SECTION – B

Answer **any three** of the following :

(3 × 5 = 15)

8. From the following particulars ascertain materials consumed, prime cost and works cost.

	₹
Opening stock of raw materials(a)	20,000
Purchase of raw materials (10,000 units at Rs. 10 per unit)	1,00,000
Chargeable expenses	5,000
Closing stock of raw materials	10,000

Expenses incurred on purchase – Rs. 2 per unit

Productive wages – Rs. 25,000

Factory overheads – 20% of productive wages.

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9. A Transport Service Company is running 10 buses between Hubli and Dharward. The distance between Hubli to Dharward is 25 kms. Seating capacity of each bus is 40 passengers. No. of trips is 2 round trips.
Onward journey : Full Capacity utilized
Return journey : Half empty
From the above particulars, calculate total passenger kms for the month of January 2020.

10. From the following information calculate the amount of reserve for unrealized profit on estimated profit basis assuming that the contract is nearing its completion :

Total cost incurred upto the date	Rs. 16,50,000
Estimated further expenses for completion of contract	Rs. 4,80,000
Contract price	Rs. 24,00,000
Work certified	Rs. 19,20,000
Work uncertified	Rs. 30,000

Cash received 75% of work certified.

11. From the following information, calculate the value of abnormal loss :

Units introduced in process 'S' – 20,000
Normal loss – 10% on input
Actual production – 17,000 units
Normal cost per unit – Rs. 15

12. From the following information relates to Sagar Co. Ltd., calculate :

(a) Profit Volume Ratio
(b) Margin of Safety
Sales – Rs. 2,50,000
Variable cost – Rs. 1,00,000
Profit – Rs. 75,000

SECTION – C

Answer **any three** of the following questions :

(3 × 15 = 45)

13. M/S ABC Ltd. furnished the following data relating to the manufacture of a product during the year 2018.

Production	1,000 units
Materials	Rs. 20,000
Labour	Rs. 12,000
Office overheads	Rs. 4,000
Factory overheads	Rs. 8,000
Selling expenses	Rs. 1,000

Profit – 25% on selling price

The company decides to produce 1,500 units in 2019 it is estimated that :

- (a) The cost of materials will increase by 20%.
- (b) The labour cost will increase by 10%.
- (c) 50% of factory overheads and office overheads are fixed and other 50% are variable.
- (d) Selling expenses per unit will be reduced by 20%.
- (e) The rate of profit will remain the same.

Prepare a statement of cost for 2019 showing :

- (i) Total profit and
- (ii) Selling price per unit

14. PSR transporters operate 2 buses between Ballari and Chalakere.

The details for the month of March 2019 :

Distance between two cities	: 100 kms
Capacity of each bus	: 40 seats
Round trips covered daily	: 2 by each bus
Occupancy for onward trip	: 80%
Cost of each bus	: Rs. 6,00,000
Depreciation	: 20% p.a. each
Salary of two drivers	: Rs. 4,000 p.m. each
Salary of two conductors	: Rs. 3,500 p.m. each
For return trip seats unoccupied	: 30%
Repairs	: 75% of depreciation of each bus
Tyres and tubes	: Rs. 20 per 100 kms
Diesel, etc.	: Rs. 30 per 30 kms
Commission	: 20% of the total cost
Road tax	: Rs. 5,000 p.m. each bus
Insurance	: Rs. 2,000 p.m. each bus

Prepare operating cost sheet and find cost per passenger kilometer.

15. A firm of builders undertook a contract for the construction of houses on 1st January 2019. The Contract price was Rs. 22,50,000.

The following details are available for the year 2019.



	Amount
Materials purchased	3,60,000
Materials issued from stores	45,000
Labour	1,35,000
Plant installed at site	1,80,000
Direct expenses	90,000
Establishment charges	22,500
Materials returned to stores	22,500
Materials on hand at the end	9,000
Plant in hand at the end	1,35,000
Wages outstanding	27,000
Direct expenses outstanding	36,000
Work uncertified	95,400
Cash received (80% of works certified)	9,00,000

Prepare the contract account showing the profit to be transferred to Profit and Loss Account. <https://www.vskub.com>

16. The following figures show the cost of three processes of manufacture. The production of each process is passed on to the next process.

Particulars	Crushing	Refining	Finishing
Direct materials	Rs. 2,000	Rs. 3,020	Rs. 3,462
Wages	Rs. 3,500	Rs. 4,226	Rs. 5,000
Overheads	Rs. 1,500	Rs. 2,000	Rs. 2,500

1000 units were issued to process of crushing at a cost of Rs. 5 each.

Process	Normal Loss	Sale proceeds of wastage	Actual output
Crushing	10%	Rs. 3 per unit	920 units
Refining	5%	Rs. 5 per unit	870 units
Finishing	10%	Rs. 6 per unit	800 units

Prepare process accounts.

17. You are given the following data :

Year	Sales (Rs.)	Profit (Rs.)
2018	1,20,000	8,000
2019	1,40,000	13,000

Calculate :

- (a) Profit volume ratio
- (b) Break even point
- (c) Profit when sales are Rs.1,80,000
- (d) Sales required to earn a profit of Rs.12,000.