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V Semester B.Com. Degree Examination, March/April - 2023

COMMERCE

Methods and Techniques of Cost Accounting

(CBCS Scheme)



Time : 3 Hours

Maximum Marks : 70

Instructions to Candidates:

Answers should be written completely in English.

SECTION - A

Answer any FIVE of the following sub questions. Each sub question carries 2 marks.
(5×2=10)

1. a) What is Job order costing?
- b) Write the meaning of Work certified.
- c) Write the meaning of Abnormal loss with an example.
- d) Give the meaning of setting - up - costs in batch costing.
- e) What do you mean by cost Drivers?
- f) What do you mean by retention money?
- g) Write the meaning of standing charges in operating costing.

SECTION - B

Answer any THREE of the following questions. Each question carries 5 Marks.

(3×5=15)

2. The following details relate to a contract for the year ended 31-12-2021

Contract price - Rs. 12,00,000

Materials issued - Rs. 2,40,000

Plant installed - Rs. 40,000

Overheads - Rs. 17,200.

As on 31-12-2021 cash received by the contractor is Rs 4,80,000 [80% of work certified].

Work uncertified is Rs. 2000.

Materials at site on 31-12-21 is Rs. 20000.

Depreciate plant at 20% pa.

Prepare contract account.

[P.T.O.]



3. Calculate cost driver rates from the following.

Cost pool	O/H	Cost driver	Volume
Material			
• Procurement	Rs. 3,95,000	No. of orders	850
• Machine setup	Rs. 3,60,000	No. of Setups	400
• Maintenance	Rs. 2,00,000	Machine hours	3100
• Quality control	Rs. 1,60,000	No. of inspections	800
• Machinery	Rs. 4,50,000	No. of machine hours	26000

4. Calculate EBQ and no. of batches from the following.

- Annual consumption - 50,000 units
- Setting - up cost per batch - Rs. 100
- Cost of manufacturing - Rs. 20/ unit
- Rate of interest - 10% p.a
- Carrying cost/unit per annum 0.50 [excluding interest]

5. A manufacturing concern produces three products X, Y and Z (Joint products) from the same raw - materials. The expenses incurred prior to separation are Materials - Rs. 10,200 wages - Rs 11,400

Over heads - Rs. 7,600. After the point of split, the following expenses are incurred

Particulars	X	Y	Z
Materials	2500	1200	1400
Wages	1900	1600	2000
O/H	1500	900.	1050
Sales	30,000	20,000	15,000
Profit on sales	40%	30%	25%

Prepare joint cost apportionment statement under reversal cost method



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SECTION - C

Answer any THREE questions. Each question carries 15 Marks. (3×15= 45)

6. A product passes through 3 distinct processes A,B and C. The normal loss of units in each process is 5% 10% and 15% and the same is sold at Rs. 2, Rs. 4 and Rs. 5 per unit respectively other details are

Particulars	Processes		
	A	B	C
• Sundry materials (Rs.)	5,200	3,960	5,924
• Wages (Rs.)	4,000	6,000	8,000
• Actual output units	1,900	1,680	1,500

2,000 units were put into process A at Rs. 3 per unit. Total O/H were Rs. 18,000 which are to be recovered at 100% on direct wages.

Prepare process accounts.

7. From the following details, relating to 3 jobs of a repair shop, ascertain total cost and selling price assuming that profit is 25% on selling price

Particulars	Jobs		
	A	B	C
Materials	16,000	24,000	20,000
Wages	8,000	12,000	10,000
Direct expenses	1,600	2,400	2,000

Works O/H is 50% of prime cost and office O/H are 20% of works cost.

8. A person owns a bus that runs between Bangalore and Mysore for the first 10 days of the month. The distance between Bangalore and Mysore is 140 kms and the bus completes one round trip every day. the bus goes to Chitradurga for the next 10 days and distance between bangalore and chitradurga is 200 kms and the bus completes one round trip each day. For the rest of 4 working days, it runs locally covering total distance of 60 kms each day. Calculate fare per passanger km if he wants to earn a profit of 25% on the takings. other details are as under.

- Cost of the bus Rs. 6,00,000
- Depreciation - 15% pa (Running charge)
- Salary of the driver - Rs. 4,000 PM
- Salary of the conductor - Rs. 3,000 PM
- Accountant Salary - Rs. 1,800 PM
- Insurance - Rs. 12,000 PA
- Diesel-5 kms per litre at Rs. 40 Per Litre

[P.T.O.]



- Token tax - Rs. 2,500 P A
- Lubricant Oil - Rs. 10 for 50 kms
- Repairs and maintenance - Rs 5,000 P M
- Permit fee - Rs. 3,800 per 6 months
- Normal capacity - 50 passengers
- The occupation of capacity
80% Bangalore ↔ Mysore
90% Bangalore ↔ Chitradurga
100% local trips.

9. RGS is engaged in two contracts A and B. The following particulars are obtained for the year ended 31-12-22.

Particulars	Contract A (Rs.)	Contract B (Rs.)
Date of commencement	1/4	1/9
Contract price	6,00,000	5,00,000
Materials Issued	1,60,000	60,000
Material Returned	4,000	2,000
Materials at site on 31-12-22	22000	8,000
Direct Labour	1,50,000	40,000
Direct Expenses	66,000	35,000
Establishment Expenses	25,000	7,000
Plant installed	80,000	72,000
Work certified	4,20,000	1,35,000
Work uncertified	28,000	10,000
Architect fee	2,000	1,000
Cash Received upto 31-12-22	3,78,000	1,25,000

During the period materials worth Rs. 9,000 has been transferred from contract A to contract - B Depreciation on plant to be charged at 10% p.a.

You are required to show the contract accounts and contractee account.