



DCBC402

Reg. No.

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IV Semester B.Com. (Regular) Degree Examination, July/August - 2024

COMMERCE

Costing Methods and Techniques

(NEP CBCS Scheme Freshers and Repeaters)

Paper : 4.2



Time : 2½ Hours

Maximum Marks : 60

Instructions to Candidates:

Answers should be written completely in English only.

SECTION - A

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

1. a) State the methods of costing?
- b) State four areas where Job costing method is applied.
- c) What is meant by Abnormal Gain?
- d) What is work certified?
- e) What is process costing?
- f) Mention any two uses of Break-even analysis.
- g) Define standard costing.

SECTION- B

Answer any FOUR of the following questions. Each question carries 5 marks. (4×5=20)

2. From the following information of Job No. 101, calculate selling price of the job, when profit of 25% on selling price is expected.

[P.T.O.]



(2)

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Materials	-	Rs.30,000
Wages	:	
Department - X	-	60 hrs, at Rs.50 per hr.
Department - Y	-	40 hrs. at Rs.30 per hr.
Department - Z	-	20 hrs at Rs.25 per hr.
Variable Overheads:		
Department - X	-	Rs.10,000 for 5,000 hrs.
Department - Y	-	Rs.6,000 for 1,500 hrs.
Department - Z	-	Rs.4,000 for 500 hrs.
Fixed Overheads	-	Rs.50,000 for 5,000 hrs.

3. From the following information, calculate

- P/V Ratio
- Break - Even - Point.
- Sales required to earn a profit of Rs. 45,000.

Given:

Sales = Rs. 2,50,000

Fixed cost = Rs. 50,000

Variable cost = Rs. 1,50,000

4. A Good Luck Transporters, Bangalore runs a lorry with a load of 20 tonnes of goods from Bangalore. It unloads 8 tonnes at Mandya and remaining goods at Mysore. It returned back directly to Bangalore after getting a load of 16 tonnes of goods at Mysore. The distance between Bangalore to Mandya is 100 kms, Mandya to Mysore is 40 kms and Mysore to Bangalore is 140 kms. The lorry runs 30 days in a month. with the help of above information.

Calculate :

- Tonne kilometers in that month.
- Total kilometers in that month.



(3)

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5. From the following information, calculate labour variances. (LCV, LRV, LEV)
Actual Production : 10,000 units
Standard labour hours per unit 20 hours.
Standard Labour Rate Per hour is Rs. 7.
Actual Labour Rate is Rs. 11
Actual Labour hours 12 hours per unit.
6. From the following information, prepare process 'A' A/c and Abnormal Gain A/c.
Materials introduced into process 'A' is
1,000 kgs at Rs. 10 each.
- | | | |
|----------------|---|-----------------|
| Wages | - | Rs. 5,000 |
| Other Expenses | - | Rs 3,500 |
| Normal Loss | - | 10% |
| Sale of scrap | - | Rs. 5 per unit. |
| Actual output | - | 950 kgs. |

SECTION - C

Answer any TWO of the following questions. Each question carries 12 marks.

(2×12=24)

7. M/s. Venkatesh construction Ltd. has a contract to construct a building. The contract price was Rs. 65,00,000.
The following additional information is obtained from the books of account of a contractor for the year ending 31-03-2024
- | | |
|---|---------------|
| Materials sent to site | Rs. 16,50,000 |
| Materials purchased | Rs. 4,00,000 |
| Wages paid | Rs. 20,00,000 |
| Direct expenses | Rs. 1,25,000 |
| Plant installed at site | Rs. 6,00,000 |
| Other overheads | Rs. 1,75,000 |
| Direct Expenses accrued | Rs. 7,500 |
| Wages accrued at the end | Rs. 37,500 |
| Materials on hand as on 31-03-2024 | Rs. 31,500 |
| Cost of work certified by the Engineer | Rs. 55,00,000 |
| Cost of work done but not certified by the Engineer | Rs. 1,00,000 |
- Cash received from the contractor Rs. 44,00,000 Depreciate the plant at 10% pa.
You are required to prepare:
- Contract A/c
 - Contractee's A/c

[P.T.O.]



8. A product passes through three distinct processes A, B and C. The normal loss of units in each process is A - 5%, B - 10% and C - 15%, which is sold as scrap at Rs. 2, Rs. 4 and Rs. 5 respectively. Other expenses for the month of January 2024 were as follows:

Expenditure	Total	Process 'A'	Process 'B'	Process 'C'
Sundry Materials (Rs.)	15,084	5,200	3,960	5,924
Wages (Rs.)	18,000	4,000	6,000	8,000
Other overheads (Rs.)	18,000	-	-	-
Output in Units	-	1,900	1,680	1500

2,000 units @ Rs. 3 per unit were put in process 'A'. There were no opening or closing stock. The total overheads are apportioned at 100% of wages.

Prepare Process Accounts and show necessary working notes.

9. M/s. Sagar Travel Agency runs four buses between Hubli and Belgaum. The distance between the two cities is 100 kms. The seating capacity of each bus is 40 passengers. The following are the particulars obtained from the records of the company for the month of January 2024.

Salary of 4 Drivers - Rs. 3,000 each pm.

Salary of 4 conductors - Rs. 2,000 each pm.

Diesel cost Rs. 1 per km.

Cost of each bus Rs. 4,00,000

Scrap value Rs. 40,000 each bus

Life of each bus 4 years

Repairs and maintenance Rs. 20 per 100 kms.

Road Tax Rs. 3,000 per bus per Quarter

office expenses Rs. 25,000 per month

Sundry charges Rs. 40,040 per month.

During onward journey all buses are full and while return journey 80% seats are occupied. Each bus makes 2 round trips daily. Find the cost and fare per passenger kms, when the company wants to earn a profit of 25% on fare.

SECTION - D

Answer any ONE of the following question. Each question carries 6 marks.

(1×6=6)

10. Mention the appropriate method of costing applied for the following industries:

- Sugar Industry
- Printing Press
- Hospitals
- BMTC and Hotel
- Pharmaceutical Industry
- Telecommunication organization.

11. Draw a BEP Chart Graphically with imaginary figures.