

ST. JOSEPH'S COLLEGE (AUTONOMOUS) BENGALURU-27
MID SEMESTER EXAMINATION- AUGUST 2019
B.COM/ BPS-V SEMESTER
BC5116 / BPS5116: COST ACCOUNTING - II

13.08.2019

TIME: 1 Hour

MAX. MARKS: 30 Marks

SECTION A

Answer any FIVE of the following questions. Each question carries two marks. (5x2=10)

- 1) Explain briefly any two Costing Methods
- 2) What is Job Order-Costing
- 3) Compute the Economic batch quantity for a company using batch costing with the following information
Annual Demand for the component 24000, Set up cost per batch Rs120, carrying cost per unit of production Rs 0.36
- 4) What is Work in Progress in Contract Costing
- 5) Difference between Job and batch costing
- 6) Determinants of EBQ
- 7) What is escalation clause

SECTION B

Answer any TWO of the following questions. Each question carries five marks. (2x5=10)

- 8) The following expenses were incurred for a job during the year ended 31-03-2015

Particulars	Amount
Direct materials	3000
Direct wages	4000
Chargeable expenses	1000
Factory overheads	2000
Administration overheads	3000
Selling and distribution overheads	2000

Selling price of the above job was Rs20,000. You are required to prepare a statement showing the profit earned for the year 2015 from the job and estimated price of a job which is to be executed in the year 2016. Materials, wages and chargeable expenses will be required of Rs10,000, 15,000 & Rs5000 respectively for the job. The various overheads are recovered on the basis of-

- a) Factory overheads as a percentage of direct wages
 - b) Administration and selling and distribution overheads as a percentage of factory cost
- 9) State any five differences between job costing and contract costing
- 10) The annual demand of a product is 24000 units. It is produced in batches and the largest size of a single batch is 6000 units. After each batch is complete, the set up cost is Rs750. The annual carrying cost is Rs2.25 per unit.

Assume average inventory as one-half of the number of units made in each batch. Selecting 4,6,8,12 and 24 batches per annum, determine annual costs of each and state the optimum number of batches to minimize the total costs.

SECTION C

Answer the following compulsory question. The question carries ten marks. (1x10=10)

11) Mr. Bhagwandas undertook a contract for Rs1500000 on an arrangement that 80% of the value of the work done as certified by the architect of the contractee, should be paid immediately and that the remaining 20% be retained until the contract was completed.

In 2014, the amounts expended were- Materials Rs1,80,000 ; Wages Rs1,70,000; Carriage Rs6000; Cartage Rs1000; Sundry expenses Rs3000. The work was certified for Rs3,65,000 and Rs3,00,000 paid as agreed.

In 2015 the amounts expended were- Materials Rs2,20,000; Wages Rs2,30,000; Carriage Rs23,000; Cartage Rs2000; Sundry expenses Rs4000. Three-fourth of the contract was certified as done by 31st December and 80% of this was received accordingly. The value of work uncertified was ascertained at Rs20,000.

In 2016 the amounts expended were: Materials Rs1,26,000; Wages Rs1,70,000; Carriage Rs6000; Sundry expenses Rs3000 and on 30th June the whole contract was completed. Prepare Contract account, Contractee's Account and Balance Sheet (only assets Side) as would appear each of these years in the books of the contractor assuming that the balance due to him was received on completion of the contract.

***** End of Question Paper *****