**ST. JOSEPH’S COLLEGE (AUTONOMOUS), BENGALURU -27**

Registration Number:

Date & Session

**B.Com–V SEMESTER**

**SEMESTER EXAMINATION: OCTOBER 2023**

**(Examination conducted in November /December 2023)**

**BC 5123/BPS 5123 – Methods and Techniques of Costing**

**(For current batch students only)**

**Time: 2 Hours Max Marks: 60**

**This paper contains four printed pages and four parts**

**Section A**

**I.** Answer ***any five*** of the following (**3 x 5 = 15 marks)**

1. What is work-certified and uncertified?
2. Give the meaning of normal process loss and abnormal process losses? Give examples.
3. Define marginal costing. Mention any two features of marginal costing
4. State any three Techniques of Costing.
5. State any six objectives of transport costing
6. What is job costing? Mention any two features of job order costing.

**Section B**

**II.** Answer ***any two*** of the following (**5 x 2 = 10 marks)**

1. What is the meaning of joint products? Write a note on its features.
2. From the following information calculate a) Total kilometers and b) Total passenger kilometers.

No of buses -4

Days operated in a month -30

Trips made by each bus- 2

Distance of route 200 km (one side)

Capacity of each bus 40 passengers

Average passengers travelling 75% of capacity

1. Briefly explain the difference between marginal costing and absorption costing.

**Section C**

**III.** Answer ***any two*** of the following (**10 x 2 = 20 marks)**

1. Following Trial Balance was extracted on 31st December, 2015 from the books of Swastik Co. Ltd., Contractors:

|  |  |  |
| --- | --- | --- |
| Share Capital: Shares of Rs10 each |  | 3,51,800 |
| Profit and Loss A/c on 1st Jan., 2015 |  | 25,000 |
| Provision for Depreciation of Machinery |  | 63,000 |
| Cash received on Account: Contract 7 |  | 12,80,000 |
| Creditors |  | 81,200 |
| Land and Buildings (Cost) | 74,000 |  |
| Machinery (Cost) | 52,000 |  |
| Bank | 45,000 |  |
| Contract 7: |  |  |
| Materials  Direct Labour  Expenses  Machinery at site (Cost) | 6,00,000  8,30,000  40,000  1,60,000 |  |
|  | **18,01,000** | **18,01,000** |

Contract 7 was begun on 1st Jan., 2015. The contract price is Rs 24,00,000 and the customer has so far paid Rs 12,80,000, being 80% of the work certified.

The cost of the work done since certification is estimated at Rs 16,000.

On 31st Dec., 2015, after the above Trial Balance was extracted, machinery costing

Rs 32,000 was returned to stores, and materials when at site were valued at Rs 27,000.

Provision is to be made for direct labour due Rs 6,000 and for depreciation of all machinery at 12½% on cost.

You are required to prepare (a) the Contract Account and (b) the Balance Sheet of

Swastik Co. Ltd. as on 31st December assuming this was the only contract in hand during the period.

1. The cost data of a company are as follows:

Period Sales Rs. Profit Rs.

I 75,000 10,000

II 1, 00,000 15,000

You are required to compute:

1. P/ V ratio (b) BEP (c) Fixed cost (d) Margin of safety (e) Sales required to earn a profit of Rs. 30,000.
2. Mr. Anand owns a vehicle and provides the following data:

Cost of vehicle Rs 7,50,000

Estimated life 3,00,000 lakh km

Loading capacity 10 tonnes

Annual mileage run 40,000 km

Driver's wages per hour Rs 20

Km run per hour 30

Cost of diesel Rs 30 per litre

km run per litre of diesel 6 km

A set of tyre costs Rs 12,000

Number of tyres in the vehicle-10

Life of tyres 30,000 km each

Insurance Rs 15,000 per annum.

Tax, licence, etc. Rs 12,000 per annum.

Oil, lubricants, etc. Rs 0.50 per km.

Repairs and maintenance Rs 6,000 per month.

Calculate the cost per running km and tonne km.

**Section D**

**III. Answer the following (15marks)**

1. The product of company passes through three distinct processes to completion. They are known as A, B and C. From past experience it is ascertained that loss is incurred in each process as : Process A - 2%, Process B- 5%, Process C-10%.

In each case the percentage of loss is computed on the number of units entering the process concerned.

The loss of each process possesses a scrap value. The loss of processes A and B is sold at Rs 5 per 100 units and that of process C at Rs 20 per 100 units.

The output of each process passes immediately to the next process and the finished units are passed from process C into stock.

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars** | **Process A (Rs)** | **Process B (Rs)** | **Process C (Rs)** |
| Materials consumed | 6,000 | 4000 | 2000 |
| Direct Labour | 8,000 | 6,000 | 3,000 |
| Manufacturing expenses | 1,000 | 1,000 | 1,500 |

20,000 units have been issued to process A at a cost of Rs 10,000. The output of each process has been as under:

Process A 19,500; Process B 18,800; Process C 16,000

There is no work-in-progress in any process but opening and closing stock of finished goods are Rs 20,849 and Rs 21,000 respectively.

Prepare Process Accounts, Normal Loss A/c, Abnormal Loss A/c and Abnormal Gain; Calculations should be made to the nearest rupee.

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