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ST. JOSEPH'S COLLEGE (AUTONOMOUS), BANGALORE-27
COMMERCE - V SEMESTER
SEMESTER EXAMINATION: NOVEMBER 2020
BC/BPS 5118 – COST ACCOUNTING II

Time- 2 1/2 hrs

Max Marks-70

This paper contains _3_ printed pages and four parts

SECTION A

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

1. What is a Byproduct? Give an example.
2. Name any 4 techniques of costing.
3. What does "work certified" mean in contract costing?
4. What is running cost? Give an example.
5. State any 4 features of job costing?
6. What is CVP analysis?

SECTION B

Answer any three of the following questions. Each question carries five marks.
(3x5=15)

7. From the following particulars relating to four jobs of a manufacturer, ascertain the total cost of each job by preparing the Job Cost Sheet:

Particulars	JOB 1	JOB 2
Direct materials	800	1000
Direct wages	400	500
Direct expenses	80	100

Work overhead is 45% of prime cost & office overhead is 15% on works cost.

8. Elaborate the difference between cost accounting and financial accounting.
9. The demand per annum of a production is 48,000 units. It is produced in batches and the largest size of a single batch is 8000 units. The set-up cost per batch is Rs.1500. The annual inventory carrying cost is Rs.2.25 per unit. Assume average inventory as 50% of the number of units made in each batch. Selecting 4,6,8 & 12 batches per annum, determine annual cost of each batch and state the optimum number of batches to minimize the total cost.

10. A firm is selling X product, whose variable cost per unit is Rs.10 and fixed cost is Rs.6000. It has sold 1000 articles during one month at Rs.20 per unit. Market research shows that there is a great demand for the product if the price can be reduced. If the price can be reduced to Rs.12.50 per unit, it is expected that 5000 articles can be sold in the expanded market. The firm has to take a decision whether to produce and sell 1000 units at the rate of Rs.20 or to produce and sell for the growing demand of 5000 units at the rate of Rs.12.50. Give your advice to the management in taking the decision.

SECTION C

Answer any two of the following questions. Each question carries fifteen marks.
(2x15=30)

11. The following balances were extracted from the books of a building contract on 31st March, 2020 regarding Contract No. 123: (15 marks)

Materials issued to site	6,27,200
Wages Paid	7,34,550
Wages outstanding on 31.3.2020	7,200
Plant issued to site	60,000
Direct charges paid	25,150
Direct charges outstanding on 31.3.2020	2,100
Establishment charges	56,500
Stock of materials at site on 31.3.2020	12,000
Value of work certified on 31.3.2020	16,50,000
Cost of work not yet certified	35,000
Cash received on account of architect's certificate after deduction by customer of 5% retention money	14,10,750

The work was commenced on April 1, 2019 and the contract price agreed at Rs.24,50,000.

Prepare contract account, contractee account and balance sheet for the year providing for depreciation of plant at 25%. Calculate the Profit or Loss in the contract to date and make such provision in the contract account as you consider desirable.

12.

A. Elaborate on the application of marginal costing techniques in a business. (10 marks)

B. The following data is given: (5marks)

Fixed cost- Rs.12,000

Selling price- Rs.12 per unit

Variable cost- Rs.9 per unit

Calculate:

- What will be the profit when sales are Rs.60,000 & Rs.1,00,000?
- What will be the amount of sales if desired profit to be earned is Rs. 6000 & Rs.15,000?

13. The under given data is supplied by Fair deal travel services, from the following information calculate fare for passenger Km per annum. (15 marks)

Particulars	Amount
The cost of the Bus	4,50,000
Insurance charges	3 % p.a.
Annual tax	4500
Garage rent	500 p.m.
Annual repairs	4800
Expected life of the bus	5 years
Value of scrap at the end of 5 years	30,000
Route distance	20 km long
Driver's salary	550 p.m.
Conductor's Salary	500 p.m.
Stationary	250 p.m.
Manager-cum-accountant's Salary	1750 p.m.
Diesel and Oil (for 100 kms)	125

The bus will make 3 rounds trips for carrying on the average 40 passenger's in each trip. Assume 15% profit on takings. The bus will work on an average 25 days in a month.

SECTION D

Answer the following compulsory question.

(1x15=15)

14. The product of a company passes through 3 distinct process. The following information is obtained from the accounts for the month ending January 31, 2014.

PARTICULARS	Process – A	Process – B	Process – C
Material	7800	5940	8886
Direct wages	6000	9000	12000
Production overheads	6000	9000	12000

3000 units of Rs3 per unit were introduced in process A. There was no stock of materials or work in progress. The output of each process passes directly to the next process and finally to finished stock A/c. The following additional data is obtained:

Process	Output	Normal loss	Value of scrap per unit (Rs)
Process A	2850	5%	2
Process B	2520	10%	4
Process C	2250	15%	5

Prepare Process Cost Account, Normal Loss Account and Abnormal Gain or Loss Account