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CB – 376

IV Semester B.Com. Examination, August/September 2023
(CBCS) (2021-22 and Onwards) (Repeaters)
TOURISM AND TRAVEL MANAGEMENT
4.4 : Costing Methods

Time : 3 Hours

Max. Marks : 70

Instruction : Answers should be written only in **English**.

SECTION – A

1. Answer **any 5** of the following sub-questions. **Each** sub-question carries 2 marks. (5×2=10)
- What is job costing ?
 - Name any 2 industries where process costing is used.
 - What is retention money ?
 - What is operating costing ?
 - What is a daily log sheet ?
 - Give any 2 features of contract costing.



SECTION – B

Answer **any three** of the following questions. **Each** question carries 5 marks. (3×5=15)

- Differentiate production account and a cost sheet.
- The following information is extracted from a job ledger for Job no. : 418

Materials – ₹ 3,500

Wages – 80 hours @ ₹ 2.50 per hour

Variable overhead incurred for all jobs ₹ 5,000 for 4,000 labour hours.

Find the profit if the job is billed for ₹ 4,000

P.T.O.



4. In process X, 100 units of raw materials bought at the rate of ₹ 10 per unit were introduced. Other expenses incurred in the process was ₹ 800. Normal loss is 10% of the input. The scrap value of normal loss units is ₹ 3 per unit. The output of process X was only 75 units. Prepare process X A/c.

5. Prepare contract A/c

| | | |
|----------------|---|-----------|
| Contract price | ₹ | 12,00,000 |
| Materials | ₹ | 2,40,000 |
| Wages | ₹ | 3,28,000 |
| Plant | ₹ | 40,000 |
| Overheads | ₹ | 17,200 |

Cash received on account of the contract was ₹ 4,80,000 being 80% of work certified. The value of materials in hand was ₹ 20,000. The plant had undergone a 20% depreciation.

SECTION – C

Answer **any three** of the following. **Each** question carries **15** marks.

(3×15=45)

6. The following direct costs were incurred on Job no. 123.

Materials ₹ 4,010

Wages : Dept. A – 60 hours @ ₹ 3 per hr.

Dept. B – 40 hours @ ₹ 2 per hr.

Dept. C – 20 hours @ ₹ 5 per hr.

Overhead expenses for these three departments were :

Variable overheads :

Dept. A ₹ 5,000 for 5000 labour hours

Dept. B ₹ 3,000 for 1500 labour hours

Dept. C ₹ 2,000 for 500 labour hours

Fixed overheads :

Estimated at ₹ 20,000 for 10,000 normal working hours. Calculate the cost of Job no. 123 and calculate the price to give profit of 25% on selling price.



7. A product passes through three processes to completion. During the quarter ending 31-3-2021 the cost and production were as under :

| Processes | Total (₹) | A (₹) | B (₹) | C (₹) |
|---------------------------|--------------|-----------|-----------|-----------|
| Direct Materials | 84,820 | 20,000 | 30,200 | 34,620 |
| Direct labour | 1,20,000 | 30,000 | 40,000 | 50,000 |
| Direct expenses | 7,260 | 5,000 | 2,260 | - |
| Production O/H | 60,000 | - | - | - |
| Normal loss | - | 10% | 5% | 10% |
| Sale of scrap per unit | - | ₹ 30 | ₹ 50 | ₹ 60 |
| Production in units | - | 920 units | 870 units | 800 units |

1000 units of ₹ 50 per unit were introduced to process A. There were no stock of materials or work in progress at the beginning or end of the period.

Production overhead is allocated to each process on the basis of 50% of direct labour cost. Prepare process accounts.

8. The Tom and Jerry Co. Ltd. under takes large contracts. The following particulars relate to Contract no. 125 carried out during the year ended 31-3-2021

| | ₹ | | ₹ |
|------------------------------|----------|--------------------------------------------|----------|
| Work certified | 1,43,000 | Wages accrued on 31-3-2021 | 1,800 |
| Work not certified | 3,400 | Materials on hand on 31-3-2021 | 1,400 |
| Plant installed | 11,300 | Materials returned to store | 400 |
| Value of plant on 31-3-21 | 8,200 | Direct expenditure accrued on 31-3-2021 | 200 |
| Materials sent to site | 64,500 | Contract price | 2,00,000 |
| Labour | 54,800 | Cash received from contractee | 1,30,000 |
| Establishment charge | 3,250 | | |
| Direct expenditure | 2,400 | | |

Prepare a contract account for the period ending 31-3-2021 and find out the profit to be transferred to profit and loss account.



9. From the following data compute the cost per running mile

| | | |
|-----------------------------------|---|----------|
| Cost of vehicle | ₹ | 25,000 |
| Road licence (annual) | ₹ | 850 |
| Insurance (annual) | ₹ | 700 |
| Garage rent (annual) | ₹ | 500 |
| Supervision and salaries | ₹ | 1,200 |
| Driver's wages per hour | ₹ | 30 |
| Cost of fuel per gallon | ₹ | 30 |
| Miles run per gallon | | 20 miles |
| Repairs and maintenance per mile | ₹ | 1.75 |
| Tyre allocation per mile | ₹ | 0.70 |
| Estimated life of vehicle (miles) | ₹ | 1,00,000 |
| Mileage run (annual) | ₹ | 15,000 |

Charge interest at 5% per annum on cost of vehicle. The vehicle runs 20 miles per hour on an average.
