



UG – 341

35
IV Semester B.Com. (TTM) Examination, September/October 2022
(CBCS) (2021 – 22)

(F + R)

COMMERCE

4.4 : Costing Methods

Time : 3 Hours

Max. Marks : 70

Instruction : Answer should be in **English** only.

SECTION – A

Answer **any 5** questions. **Each** question carries **2** marks.



(2×5=10)

1. a) State any two features of job costing.
b) What do you mean by economic batch quantity ?
c) Give the meaning of retention money.
d) What is normal loss ?
e) Mention any two features of process costing.
f) State the meaning of operating costing.

SECTION – B

Answer **any 3** questions. **Each** question carries **5** marks.

(3×5=15)

2. A transport company runs 4 buses between 2 cities which are 60 kms apart. The seating capacity of each bus is 80%. Each bus makes 4 round trips per day. On the onward journey, the bus ran to full capacity and on return trip run 20% empty.

Calculate the kilometers and total passenger kms for a month assuming that no bus is off the road due to repairs and maintenance.

3. The following particulars are in respect of contract no. 999 which commenced on 1st Jan. 2021.

	₹
Materials	58,000
Direct wages	75,000

P.T.O.



Cost of special plant	30,000
Direct expenses	12,000
Establishment charges	8,000

The contract was completed by 31st December 2021. The contract price was ₹ 1,75,000. The value of materials returned to store was ₹ 5,000. The special plant was returned to store subject to depreciation at 20% per annum. Contract price was received in full on 31st December 2021.

Prepare Contract Account.

4. In Process X 4000 units of raw materials were introduced at a cost of ₹ 4,00,000. The other expenditure incurred in the process was ₹ 2,40,000 out of the units introduced 5% were lost in weight and the normal loss was 5% which were sold @ ₹ 16 per unit. The output of process X was only 3650 units.

Prepare Process X A/c and calculate the value of Abnormal Gain.

5. Write the differences between job costing and batch costing.

SECTION – C

Answer **any 3** questions. **Each** question carries **15** marks.

(3×15=45)

6. A product passes through 3 processes A, B and C. The normal wastage of each process is as follows :

Process A – 3% B – 5% C – 8%

Wastage of process A was sold at ₹ 2.50 per unit, that of B at ₹ 5 per unit and that of C at ₹ 10 per unit. 10000 units were introduced to process A at ₹ 10 per unit. The other expenses were as follows.

	Process		
	A	B	C
	(₹)	(₹)	(₹)
Sundry materials	10,000	15,000	5,000
Labour	50,000	80,000	65,000
Direct expenses	10,500	11,888	20,000
Actual output (in units)	9,500	9,100	8,100

Prepare Process Accounts.



7. The following expenses were incurred for a job during the year ending 31st Dec. 2020.

	₹
Direct materials	6,000
Direct wages	8,000
Chargeable expenses	2,000
Factory overheads	4,000
Selling and distribution overheads	4,000
Administration overheads	6,000

Selling price for the above job was ₹ 36,000. You are required to prepare a statement showing the profit earned for the year 2020 from the job and on estimated price of a job which is to be executed in the year 2021. Materials, wages and chargeable expenses will be required of ₹ 10,000, ₹ 14,000 and ₹ 4,000 respectively for the job.

The various overheads to be recovered on the following basis while calculating the price.

- Factory overheads as a percentage on direct wage.
 - Administration and selling and distribution as percentage of factory cost.
8. A contractor prepare his accounts for the year ending 31st December each year. He commenced a contract on 1st April 2021. The following information relates to the contract as on 31st Dec. 2021.

The contract price is ₹ 20,00,000. On 31-12-2021 $\frac{2}{3}$ of the contract was completed. The Architect issued certificate covering 50% of the contract price and the contractor received ₹ 7,50,000 on account

	₹
Materials supplied to contract	2,00,000
Materials issued from stores	52,000
Direct wages	5,10,000
Indirect wages	55,000
Sub-contract cost	4,000
Materials transferred to other contracts	9,900



Material costing ₹ 2,000 sold for	2,500
Salary to foreman	87,500
Other overheads	1,30,000
Materials returned to stores	5,400
Materials in hand at site (31-12-2021)	30,000

A machine costing ₹ 2,70,000 has been on site for 146 days. Its working life is estimated at 7 years and its final scrap value at ₹ 25,000.

A supervisor who is paid ₹ 10,000 per month, has devoted $\frac{1}{4}$ of his time to this contract.

Prepare Contract Account.

9. A transport company operates 5 buses in between two cities. From the following information given to you, calculate the cost per passenger km. No. of buses 5, days operated in the month 25, round trips made by each bus 4 per day, distance of route 20 kms. long (one side), capacity of each bus 50 passengers and normal passenger travelling 90% of its capacity.

The following are the monthly charges incurred for operating buses.

	₹
Sundry materials	2,000
Wages of 5 drivers	1200 each
Wages of 5 conductors	1100 each
Wages of 4 cleaners	800 each
Diesel oil etc.	25,800
Replacement of tyres tubes	5,000
Garage rent	4,000
Depreciation	5,000
Workshop charges for repairs	2,000