



SN – 331

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**V Semester B.Com. Examination, November/December 2013**  
**(2013-14 & Onwards)**  
**COMMERCE**

**Paper – 5.1 : Methods and Techniques of Cost Accounting**

Time : 3 Hours

Max. Marks : 100

**Instruction :** Answer should be written completely either in **Kannada** or in **English**.

SECTION – A

Answer **any eight** sub-questions of the following. **Each** sub-question carries **2** marks.

(8×2=16)



1. a) What is Job Cost Sheet ?
- b) What is meant by 'Cash Budget' ?
- c) Name any four industries in which 'Batch Costing' is applied.
- d) Give the meaning of 'Notional Profit'.
- e) What is work uncertified ?
- f) Define standard costing.
- g) What is 'Material cost variance' ?
- h) Distinguish between normal loss and abnormal loss.
- i) What is 'Margin of safety' ?
- j) Give the meaning of 'Flexible Budget'.

P.T.O.







## SECTION – C

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

(4×15=60)

7. You are given the following data.

Production : 500000 units

Fixed cost : Rs. 7,50,000

Variable cost per unit : Rs. 2

Selling price per unit : Rs. 5.

You are required to determine :

- a) BEP units and sales in Rs.
- b) Margin of safety.
- c) Sales needed for a profit of Rs. 5,00,000.
- d) The amount of profit when sales are Rs. 12,00,000.
- e) The profit if 400000 units are sold at Rs. 6 per unit.

8. The following details are extracted from the costing books of Shiva Copra Oil Products Ltd. for the year ended 31-3-2013.

Purchase of Copra – 5400 tons for Rs. 4,40,000. Other details of expenses are as follows :

Particulars	Processes		
	Crushing Rs.	Refining Rs.	Finishing Rs.
Cost of labour	5,500	2,200	3,300
Electric power	1,320	792	528
Sundry Materials	220	4,400	–



Repairs to Plant & Machinery	616	726	308
Steam	1,320	990	990
Factory Expenses	2,904	1,452	484
Cost of casks	–	–	16,500

- 3200 tons of crude oil were produced.
- 2600 tons of oil were produced by refining process.
- 2550 tons of refined oil were finished for delivery.
- Copra sacks were sold for Rs. 880.
- 1925 tons of Copra residue were sold for Rs. 24,200.
- 500 tons of by-product obtained from refining process valued at Rs. 14,850.
- Loss in weight in crushing 275 tons.

Prepare processes accounts and show cost per ton of each process.

9. 'PK' Ltd. is engaged on two contracts – 'A' and 'B'. The following particulars are obtained for the year ended 31<sup>st</sup> Dec. 2012.

Particulars	Contract A	Contract B
	(Rs.)	(Rs.)
Date of commencement	1 <sup>st</sup> April	1 <sup>st</sup> Sept.
Contract price	6,00,000	5,00,000
Materials issued	1,60,000	60,000
Materials returned	4,000	2,000
Materials on site (31 <sup>st</sup> Dec., 2012)	22,000	8,000
Direct Labour	1,50,000	42,000
Direct Expenses	66,000	35,000





Establishment charges	25,000	7,000
Plant installed at site	80,000	70,000
Value of plant on 31-12-2012	65,000	64,000
Cost of contract not certified	23,000	10,000
Value of contract certified	4,20,000	1,35,000
Cash received from contractees	3,78,000	1,25,000
Architect's fees	2,000	1,000

During the period materials amounting to Rs. 9,000 have been transferred from contract A to contract B.

You are required to prepare Contracts Accounts and Contractees Accounts.

10. Mr. Ravi owns a bus which runs between Mysore and Bengaluru for 10 days in a month. The distance from Mysore to Bengaluru is 150 kms. It makes one round trip per day. The bus goes another 10 days in a month towards Hassan. The distance from Mysore to Hassan is 120 kms. The trip is also completed in the same day. For the rest of 4 days of its operation in a month it runs in the local city. Daily distance in local city is 60 kms. Other details are as follows.

Particulars	Rs.
Cost of the bus	15,00,000
Salary of driver PM	8,000
Salary of conductor PM	7,000
Salary of clerk PM	4,000
Insurance P.A.	24,000
Annual tax	36,000



Repairs and maintenance PM	6,000
Lubricating oil PM	5,000
Diesel consumption PM	30,000
Office expenses PM	1,500
Annual Depreciation	72,000

Normal capacity is 50 passengers. The bus is generally occupied 90% of the capacity when it goes to Bengaluru and 80% when it goes to Hassan. It is always full when it runs within the city.

You are required to calculate the bus fare Mr. Ravi should charge so as to earn the profits of  $33\frac{1}{3}\%$  of his takings.

11. A factory is currently working at 50% capacity and produces 10000 units. Estimate the profits of the company when it works at 60% and 80% capacity.

At 60% working raw-material cost increases by 2% and selling price falls by 2%.  
At 80% working raw-material cost increases by 5% and selling price falls by 5%

At 50% working capacity, the product costs Rs. 180 per unit and sold at Rs. 200 per unit. The cost of Rs.180 is made up as follows :

	Rs.
Materials	100
Labour	30
Factory overhead (40% fixed)	30
Administration overhead (50% fixed)	20
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	180
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