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SN – 498

V Semester B.Com. Examination, Nov./Dec. 2017
(14-15 and Onwards) (Semester Scheme) (Repeaters)

COMMERCE

5.4 – Cost Management

Time : 3 Hours

Max. Marks : 100

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

SECTION – A

Answer any ten questions of the following. Each sub-question carries two marks.

(10×2=20)

1. a) What is abnormal process loss ?
- b) What do you mean by Joint Expenses ?
- c) Mention two industries in which operating costing is used.
- d) What do you mean by variable cost ? Give example.
- e) What is batch costing ?
- f) What are the two advantages of Job costing ?
- g) State any two features of target costing.
- h) What do you mean by sub-contract ?
- i) What is Retention money ?
- j) Name any two industries in which process costing is used.
- k) What are standing charges ?
- l) Explain the term 'By-products' with suitable example.

P.T.O.



SECTION - B

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

(4×8=32)

2. A transport company is running 4 buses between two cities which are 60 kms apart, seating capacity of each bus is 60 passengers, the following particulars were obtained from the books for September 2016

	₹
Wages of drivers, conductors, cleaners	24,000
Diesel and oil	40,000
Salaries of office staff	10,000
Repairs and maintenance	8,000
Taxes and Insurance	16,000
Depreciation	26,000
Interest and other charges	20,000

Actual passenger carried were 80% of the seating capacity. All the buses run on all days of the month. Each bus made one round trip per day.

Find out the cost per passenger km.

3. Briefly explain the advantages of Just-in-Time.
4. The following particulars relate to a certain contract carried out during the year ended 31-3-2016

	₹
Work Certified	1,43,000
Cash received from contractor	1,30,000



Materials sent to site	64,500
Labour	54,800
Plant installed at site	11,300
Value of plant on 31-3-2016	8,200
Cost of work not yet certified	3,400
Establishment charges	3,250
Direct expenditure	2,400
Wages accrued on 31-3-2016	1,800
Materials on hand on 31-3-2016	1,400
Materials returned to stores	400
Direct expenses accrued	200
Contract price	2,00,000

Prepare Contract Account for the year ended 31-3-2016.

5. Explain briefly the limitations of Activity Based Costing (ABC).

6. The following information is available for Job No. 746.

	Department		
	A	B	C
Materials Consumed	₹ 4,000	₹ 1,000	₹ 1,500
Direct labour :			
Wage rate per hour	₹ 3	₹ 4	₹ 5
Direct labour hours	300	200	400



The following are chargeable to Job. No. – 746.

Fixed Production overhead – ₹ 5 per direct labour hour.

Fixed Administration overhead – 80% of works cost

Profit – 20% on selling price.

Calculate total cost and selling price of Job. No. 746.

SECTION – C

Answer any three questions. Each question carries sixteen marks. **(3×16=48)**

7. A person owns a bus which runs between Bangalore and Mysore and back for 10 days in a Month. The distance between Bangalore and Mysore is 140 Kms. The bus completes one round trip each day. The bus goes for another 10 days in the month to Chitradurga. The distance between Bangalore and Chitradurga is 200 kms. The bus completes one round trip each day. For the rest 4 days of its operation in the month, it runs in the local city. The daily distance covered in the local trip is 60 kms.

Calculate the rate, the person should charge, if he wants to earn a profit of 25% on his takings.

The details are as follows :

Cost of bus ₹ 6,00,000

Depreciation 15% P.A.

Salary of driver ₹ 4,000 P.M.



Salary of conductor ₹ 3,000 P.M.

Accountant Salary ₹ 1,800 P.M.

Insurance ₹ 12,000 P.A.

Diesel consumption 5 kms per litre costing ₹ 40 per litre.

Token tax ₹ 2,500 P.A.

Lubricant oil ₹ 10 for 50 kms.

Repairs and Maintenance ₹ 5,000 P.M.

Permit fees ₹ 3,800 per 6 months.

Normal capacity 50 passengers.

The bus is generally occupied 80% of its capacity when it goes to Mysore and 90% when it goes to Chitradurga. It is normally 100 % full when it runs with in the city.

8. A product passes through three processes for completion. For the month ending 31-3-16 the following are the details :

	Process			
	Total (₹)	A (₹)	B (₹)	C (₹)
Materials	84,820	20,000	30,200	34,620
Labour	1,20,000	30,000	40,000	50,000
Direct Expenses	7,260	5,000	2,260	Nil
Production overhead	60,000	—	—	—
Normal loss	—	10%	5%	10%



Sale of Scrap per unit	-	3	5	6
Production in units	-	920	870	800

1000 units at ₹ 50 per unit were issued to process 'A'. Production overhead is to be allocated on the basis of direct labour.

Prepare Process Account, Abnormal gain and Abnormal Loss Account.

9. M/S XYZ construction Ltd. were engaged on one contract during the year. The contract price was ₹ 40,00,000.

The Trial Balance extracted from their books as on 31st March stood as follows :

	Dr. (₹)	Cr. (₹)
Share Capital	-	8,00,000
Sundry Creditors	-	80,000
Land and Buildings	3,40,000	-
Bank	90,000	-
Contract Account :		
Materials	7,50,000	-
Plant	2,00,000	-
Wages	10,50,000	-
Expenses	50,000	-
Cash received being 80% of work certified	-	16,00,000
	24,80,000	24,80,000

Of the plant and materials charged to the contract, plant costing ₹ 30,000 and materials costing ₹ 24,000 was destroyed in an accident.

On 31st March, Plant which cost ₹ 40,000 was returned to the store, the value of materials on site was ₹ 30,000 and the cost of work done but not certified was ₹ 20,000.

Charge 10% depreciation on plant.

Prepare Contract Account and Balance Sheet as on 31st March.

10. The budgeted overhead and cost driver volumes of X Ltd. are as follows :

Cost Pool	Budgeted overhead ₹	Cost Driver	Budgeted Volume ₹
Material Procurement	4,05,000	No. of orders	900
Machine set-up	3,59,100	No. of set-ups	450
Maintenance	2,40,000	Maintenance hrs.	3,000
Quality control	1,40,000	No. of inspection	700
Machinery	4,80,000	No. of Machine hrs.	24,000

The company has produced a batch of 2500 components of 'X' its materials cost was ₹ 1,10,000 and labour cost was ₹ 1,90,000. The usage of activities of this batch are as follows :

Material order 21, Set-ups of machine 19, Maintenance hours 510, No. of Inspections 26, Machine hours 1,300.

Calculate cost driver rates that are used for computing appropriate amount of overhead to this batch and ascertain the cost of the batch of the components using activity based costing.



ಕನ್ನಡ ಆವೃತ್ತಿ

ವಿಭಾಗ - ಎ

ಯಾವುದಾದರೂ ಹತ್ತು ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿ. ಪ್ರತಿ ಪ್ರಶ್ನೆಗೆ ಎರಡು ಅಂಕಗಳು.

(10×2=20)

1. a) ಅಸಾಮಾನ್ಯ ಪ್ರಕ್ರಿಯೆ ನಷ್ಟ ಎಂದರೇನು ?
- b) ಜಂಟಿ ಖರ್ಚುಗಳು ಎಂದರೇನು ?
- c) ಯಾವುದಾದರೂ ಎರಡು ಕೈಗಾರಿಕಾ ಸಂಸ್ಥೆಗಳು ಸೇವಾ ವೆಚ್ಚ ನಿರ್ಣಯ ಶಾಸ್ತ್ರ ಉಪಯೋಗಿಸುತ್ತಿರುವುದನ್ನು ಹೆಸರಿಸಿ.
- d) ಚಲನಾ ವೆಚ್ಚ ಎಂದರೇನು ? ಉದಾಹರಣೆಗಳನ್ನು ಕೊಡಿ.
- e) ಗುಂಪು (batch) ವೆಚ್ಚ ಎಂದರೇನು ?
- f) ಬಿಡಿ ವೆಚ್ಚದ ಯಾವುದಾದರೂ ಎರಡು ಲಕ್ಷಣಗಳನ್ನು ತಿಳಿಸಿ.
- g) ಗುರಿ ವೆಚ್ಚದ ಯಾವುದಾದರೂ ಎರಡು ಲಕ್ಷಣಗಳನ್ನು ತಿಳಿಸಿ.
- h) ಉಪಗುತ್ತಿಗೆ ಎಂದರೇನು ?
- i) ಧಾರಣ ಹಣ ಎಂದರೇನು ?
- j) ಹಂತ ಪ್ರಕ್ರಿಯೆ ವೆಚ್ಚ ಅಳವಡಿಸಿಕೊಂಡಿರುವ ಯಾವುದಾದರೂ ಎರಡು ಕಾರ್ಖಾನೆಗಳನ್ನು ಹೆಸರಿಸಿ.
- k) ಸ್ಥಾಯಿ ಬೆಲೆ ಎಂದರೇನು ?
- l) 'ಉಪವಸ್ತುಗಳ' ಅರ್ಥವನ್ನು ಉದಾಹರಣೆಯೊಂದಿಗೆ ನೀಡಿ.