

B.M.S. COLLEGE FOR WOMEN, AUTONOMOUS
BENGALURU – 560004
SEMESTER END EXAMINATION – SEPTEMBER 2023

B.Com – 4th Semester

COSTING METHODS AND TECHNIQUES
(NEP Scheme 2021-2022 Onwards)

Course Code: COM4DSC11

Duration: 2 ½ Hours

QP Code: 4022

Max. Marks: 60

Instructions: Answer all the sections.

SECTION – A
(Conceptual Questions)

Answer any FIVE of the following questions. Each question carries TWO Marks. (5X2=10)

1. a. Define Standard Costing.
- b. What is retention money?
- c. What is abnormal loss? Give examples.
- d. State the objectives of transport costing.
- e. What is Margin of Safety?
- f. State the features of Job costing.
- g. What is Process Costing?

SECTION – B
(Application Questions)

Answer any FOUR of the following questions. Each question carries FIVE marks. (4X5=20)

2. Differentiate between Process costing and Job costing.
3. A FurnitureHouse providesyou the following trading results:

Year	Units	Total Cost	Sales
2020	10,000	80,000	1,00,000
2021	12,000	90,000	1,20,000

Find M.O.S. and profit on the basis of M.O.S. for the year 2020 and 2021

4. A transport company is running 4 buses between two towns which are 50 miles apart seating capacity of each bus is 40 passengers. The following particulars were obtained from their books in April.

Particulars	Rs.
Wages of Drivers, conductors and cleaners	2,400
Salaries of office and supervisory staff	1,000
Diesel, oil & other oil	4,000
Repairs& maintenance	800
Taxation, insurance etc.	1,600
Depreciation	2,600
Interest and other charges	2,000

Actual passengers carried were 75% of the seating capacity. All the 4 buses ran on all the days of the month. Each bus made one round trip per day. Find out the cost per passenger mile.

5. Following data relate to the manufacturing of a Standard product during the month of April 2022.

Raw materials consumed	Rs. 2,00,000
Direct wages	Rs. 1,20,000
Machine hours worked	1,000 hours
Machine hour rate	20 per hour
Office overheads	20% on works cost
Selling overheads	Rs.4 per unit sold
Units produced	20,000
Units sold	18,000 units at Rs.30 each

Prepare a Job cost sheet showing the total cost and profit for the month of April 2022.

6. From the following information calculate Material Variances:
Standard Quantity -500 units, Standard Price -Rs. 5 per unit, Actual Quantity -520 units, Actual Price- Rs 6 per unit.

SECTION – C

(Analysis and Understanding Questions)

Answer any TWO of the following questions. Each question carries TWELVE marks. (2X12=24)

7. A product passes through three processes A, B & C. The normal wastage of each process is as follows: Process A – 3%, Process B – 5% and Process C – 8%. The wastage of process A was sold at 0.25 p.u., that of process B at 0.50 p.u. and that of process C at Re 1 p.u. 10,000 units were issued to process A on 1st April 2022 at a cost of Re 1 p.u. The other costs were as follows:

Particulars	Process A Rs.	Process B Rs.	Process C Rs.
Materials	1,000	1,500	500
Labour	5,000	8,000	6,500
D. Expenses	1,050	1,188	2,009
Actual output (units)	9,500	9,100	8,100

Prepare Process accounts assuming that there was no opening or closing stock and also prepare abnormal wastage a/c and abnormal gain a/c.

8. Kumar Construction Limited undertook a contract for a total price of Rs.60,00,000. Following is the abstract for the year ending 31st March 2022.

Materials sent to site	10,00,000
Materials purchased	7,00,000
Labour	12,87,500
Outstanding wages on 31.3.2022	15,000
Plant installed	14,00,000
Direct expenses	60,000
Outstanding direct expenses	12,000
Materials returned	30,000
Plant returned	2,00,000
Work certified	32,00,000
Work uncertified	1,90,000

Materials at site on 31.3.2022	30,000
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Cash received being 80% of work certified. Depreciation on plant at 10% p.a. Prepare Contract Account, Contractor's Account and show how the above items appear in the Balance sheet of the Contractor.

9. Mr. Kiran owns a fleet of taxis and the following information is available from his records:

Particulars

Number of taxis - 10

Cost of each taxi - Rs. 20,000

Salary of Manager - Rs. 600 pm

Salary of Accountant - Rs. 500 pm

Salary of Cleaner - Rs. 200 pm

Salary of Mechanic - Rs. 400 pm

Garage rent - Rs. 600 pm

Insurance premium - 5% pa

Annual Tax - Rs. 600 per taxi

Driver's salary - Rs. 200 pm per taxi

Annual repair - Rs. 1,000 per taxi

Total life of a taxi is 2,00,000 km. A taxi runs in all 3,000 km in a month of which 30% it runs empty. Petrol consumption is one litre for 10 km @ Rs. 11.80 per litre. Oil and other sundries are Rs. 5.00 per 100 km. Calculate the cost of running a taxi per km.

SECTION – D

(Skill Development Questions)

Answer any ONE of the following questions, carries SIX Marks.

(1X6=6)

10. Explain the steps involved in Standard Costing System.

11. State the appropriate method of costing with explanation for the following Industries:

- i. Paper mill
- ii. Printing press
- iii. Construction of dams
- iv. Biscuit manufacturing
- v. Hotel
- vi. KSRTC.
