(Pages : 6) **V – 3984**

Reg. No. : .....

Name : .....

Eighth Semester B.Com. LL.B. (Five Year Integrated)
Degree Examination, July 2025

Paper I : APPLIED COSTING

(2013-2019 Admission)

Time : 3 Hours Max. Marks : 80

SECTION – A

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

1. What is batch costing?

2. What is contract costing?

3. What is variance analysis?

4. What do you mean by cost unit?

5. What is meant by process costing?

6. A company inputs 6,000 units into a process. Normal loss is 6% of input. The actual output is 5,500 units. Calculate the number of units lost abnormally.

7. A product is sold at Rs.150. The variable cost per unit is Rs. 90. The company sold 300 units during the period. Calculate the total contribution.

(5 × 2 = 10 Marks)

P.T.O.

SECTION – B

Answer any **four** questions. Each question carries **4** marks.

1. What is meant by EBQ?

2. What are CVP analysis?

3. The fixed costs for the year are Rs. 60,000. Selling price per unit is Rs.15 and the variable cost per unit is Rs.10. Calculate the Break-Even Point (BEP) in units.

4. A product passes through three processes A. B, and C. Prepare Process A Account from the following:

   Direct Material : Rs. 10,000

   Direct Wages : Rs. 6,000

   Overheads : 150% of Direct Wages

   Units produced : 500

   (Assume no opening or closing stock)

5. It is estimated that a product requires 50 units of material at the rate of Rs. 3 per unit. The actual consumption of material for manufacturing the same product came to 60 units at the rate of Rs. 2.80 per unit.

   Calculate the following:

   (a) Material Cost Variance (MCV)

   (b) Material Price Variance (MPV)

(4 × 4 = 16 Marks)

SECTION – C

Answer any **four** questions. Each question carries **6** marks.

1. What are the differences between work-certified and work-uncertified?

2. How is the profit or loss on the incomplete contracts determined?

3. The standard cost of a chemical mixture is as follows:

   16 kg of Material A at Rs. 75 per kg

   24 kg of Material B at Rs. 250 per kg

   Actual usage and cost during the period:

   20 kg of Material A at Rs. 80 per kg

   28 kg of Material B at Rs. 240 per kg

   Standard yield is 90% of input.

   Actual yield is 42 kg.

   Calculate the Material Yield Variance.

4. From the following data, calculate:

   (a) P/V Ratio

   (b) Profit when sales are Rs. 30,000

   (c) New Break-even Sales if selling price is reduced by 20%

   Given:

   Fixed Expenses = Rs. 6,000

   Break-even Sales = Rs.15,000

5. From the following information, prepare Process B Account, Normal Loss Account, Abnormal Loss Account or Abnormal Gain Account, as the case may be.

A total of 2,000 units are transferred to Process B at a cost of Rs.4 per unit. In this process,

Material costing Rs.4,000, Labour charges amounting to Rs.1,000, Overhead expenses of Rs.700 are incurred. The process normally involves a loss of 10% of input, and the units lost as normal loss have a realisable value of Rs.1 per unit. The actual output from the process is 1,900 units, and the entire output of Process B is transferred to the Finished Stock Account.

(4 × 6 = 24 Marks)

SECTION – D

Answer any **three** questions. Each carries **10** marks.

1. Discuss the computation of different material variances

2. The standard cost of a chemical mixture is as follows: 80 tonnes of Material A at Rs.40 per tonne, and 120 tonnes of Material B at Rs.60 per tonne.
Standard yield is 90% of input.
Actual consumption during the period is:
100 tonnes of Material A at Rs.30 per tonne, and 200 tonnes of Material B at Rs.68 per tonne.
Actual yield is 265 tonnes

Material Consumed in tons	1000	70
Cost per Ton in rupees	125	200
Wages in rupees	18,000	12,000
Manufacturing Expenses in rupees	6,000	5,000

Calculate :
(a) Material Cost Variance
(b) Material Usage Variance
(c) Material Mix Variance
(d) Material Yield Variance

3. Prakash Creations Ltd. has prepared the following budget estimates for the year 2020-21:

Estimated Sales: 15,000 units

Total Sales Value: Rs.1,50,000

Fixed Expenses; Rs.34,000

Variable Cost: Rs.6 per unit

(a) Calculate:

(i) P/V Ratio

(ii) Break-even Point

(iii) Margin of Safety

(b) Calculate the revised:

(i) P/V Ratio

(ii) Break-even Point

(iii) Margin of *Safety*

in each of the following independent cases:

(1) 10% decrease in selling price

(2) 10% decrease in variable cost

(3) Increase of 2,000 units in sales volume

(4) Increase of Rs.6,000 in fixed costs

4. A product of a manufacturing company passes through two processes Process A and Process B and then goes to Finished Stock. In each process:

5% of the input is treated as waste (no value). 10% of the input is treated as scrap, which is realised at: Rs.80 per ton in Process A & Rs.200 per ton in Process B. You are required to prepare Process A and Process B Accounts.

The following details are given

Particulars	Process A	Process B
Material Consumed in Tonnes	1,000	70
Cost Per Tonne	125	200
Wages in Rupees	18,000	12,000
Manufacturing Expenses in Rupees	6,000	5,000

(3 × 10 = 30 Marks)