

Reg. No. :

Name :

**Eighth Semester B.Com. LL.B. (Five Year Integrated)
Degree Examination, July 2024**

Paper I : APPLIED COSTING

(2020 Admission)

Time : 3 Hours

Max. Marks : 80

PART – A

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

1. What is Economic Batch Quantity?
2. What is Service Costing?
3. State two managerial uses of Variance Analysis.
4. Differentiate between Process costing and Job costing.
5. Find B.E.P. in units from the following information
Sales @ Rs. 25 p. u.
Variable Cost @ 15 p. u.
Fixed Cost Rs.30,000
Produced Units 1200 units

P.T.O.

6. Define Costing.
7. What is Marginal costing?

(5 × 2 = 10 Marks)

PART – B

Answer any four questions. Each question carries 4 marks.

8. Differentiate between Historical costing and Standard costing.
9. A manufacturing company finds that while the cost of making a component No. 051 in its own workshop is 8.00 each, the same is available in market at 6.50 with an assurance of continuous supply Give your suggestion whether to make or buy this component. Give also your views in case the supplier reduces the price from 6.50 to 5.50. The cost data is as follows:

	Rs.
Materials	3.00
Direct labour	2.00
Other Variable Expenses	1.00
Depreciation and other Fixed Expenses	2.00
	<u>8.00</u>

10. What are the procedure involved in Job costing?
11. In the manufacture of main product, 200 units of a certain by-product were produced.

The market value of the by-product was 40 per unit. The by -product required further processing costs amounting to 3,000 and selling and distribution overheads amounting to 500 are incurred. Calculate the amount to be credited to the Process Account in respect of the by-product.

12. From the following information, calculate (a) total kilometers, and (b) total passenger kilometers.

No. of buses	4
Days operated in a month	30
Trips made by each bus	2
Distance of route	100 km (one side)
Capacity of each bus	40 passengers
Average passengers travelling	75% of capacity.

(4 × 4 = 16 Marks)

PART – C

Answer any four questions. Each question carries 6 marks.

13. X Ltd. Made sales during a certain period for Rs. 1,00,000. The net profit for the same period was Rs. 10,000 and the fixed overheads were Rs. 15,000.

Find out:

- (a) P/V Ratio.
 - (b) Required sales to earn a profit of Rs. 15,000.
 - (c) Net Profit from sales of Rs. 1,50,000.
 - (d) Break — even point sales.
14. What is Standard Costing? Explain the steps involved in Standard costing.

15. Compute estimated profit on a contract (which has been 90% complete) from the following particulars.

Total expenditure to date	22,50,000
Estimated further expenditure to complete the contract (including contingencies)	2,50,000
Contract price	32,50,000
Work certified	27,50,000
Work uncertified	1,75,000
Cash received	2 1,25,000

16. Prepare a Process Account, Abnormal Loss Account and Normal Loss Account from the following information.

Input of Raw material	1000 units @ Rs. 20 per unit
Direct Material	Rs. 4,200/-
Direct Wages	Rs. 6,000/-
Production Overheads	Rs. 6,000/-
Actual output transferred to process II	900 units
Normal Loss	5%
Value of Scrap per unit	Rs. 8/-

17. Explain the application of service costing in different industries.

(4 × 6 = 24 Marks)

PART - D

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

18. The standard mix to produce one unit of product is as follows:

Material A	60 units @ Rs. 15 per unit = Rs.	9,00
Material B	80 units @ Rs. 20 per unit = Rs.	1,600
Material C	<u>100 units</u> @ Rs. 25 per unit = Rs.	<u>2,500</u>
	<u>240 units</u>	<u>5,000</u>

During the month of April, 10 units were actually produced and consumption was as follows:

Material A	640 units @ Rs. 17.50 per unit = Rs.	11,200
Material B	950 units @ Rs. 18.00 per unit = Rs.	17,100
Material C	<u>870 units</u> @ Rs. 27.50 per unit = Rs.	<u>23,925</u>
	<u>2,460 units</u>	<u>52,225</u>

Calculate all material variances.

19. S Ltd. furnished the following information in respect of incomplete contract as on 31.3.2023

Particulars	Contract A (Rs.)	Contract B (Rs.)
Contract Price	2,40,000	1,50,000
Work certified	2,16,000	1,00,000
Estimated cost of completion of contract	2,10,000	1,20,000
Cash received	1,16,000	80,000
Uncertified Work	10,000	7,000
Cost of contract (expenditure incurred up to 31.3.23)	1,80,000	95,000

Calculate the profit to be carried to P/L A/c for the year ended 31.3.23.

20. Define Batch Costing. What are the features of Batch Costing? Distinguish between Job Costing and Batch costing.

21. ABC Ltd., a multi-product company, furnishes the following data:

Particulars	Period I	Period II
Sales (Rs.)	45,000	50,000
Total Cost (Rs.)	40,000	43,000

Assuming that there is no change in price and variable costs. Fixed expenses are incurred equally in the two periods. Calculate the following:

- Profit volume ratio
- Fixed expenses
- Break-even point
- Percentage M/S to sales in Period II
- Sales required to earn profit of Rs. 10,000
- Profit when sales is Rs. 80,000.

(3 x 10 = 30 Marks)