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V Semester B.Com.(A&F) Degree Examination, March/April - 2024

COMMERCE

Methods and Techniques of Costing

(NEP scheme)

Paper : 5.5

Time : 2½ Hours

Maximum Marks :60

Instructions to Candidates:

Answers should be written completely in English only.

SECTION - A

Answer any Five sub-questions. Each sub-question carries 2 marks. (5×2=10)

1. a) What is Job Costing?
- b) Give the meaning of work uncertified.
- c) What do you mean by abnormal process loss?
- d) Write any two objectives of Transport Costing.
- e) What is P/V ratio?
- f) State any two benefits of standard costing.
- g) Define marginal costing.



SECTION - B

Answer any Four questions from the following. Each question carries 5 marks. (4×5=20)

2. From the following particulars relating to a job of a manufacturer, ascertain the total cost of the job by preparing a job cost sheet.

	Rs.
Direct Materials	20,000
Direct wages	10,000
Direct expenses	2,000

Works overhead is 50% of prime cost and office overhead is 10% on works cost.

[P.T.O.]



3. What are the main points of differences between job costing and process costing?

4. Following data is given:

Total Fixed cost	Rs. 24,000
Selling price	Rs. 24 per unit
Variable cost	Rs. 18 per unit.

Calculate BEP in units and sales value.

5. The standard cost details relating to material needed to produce 1 kg of groundnut oil is as follows:

Quantity of groundnut required	-	3kg
Price of ground nut	-	Rs. 180/kg

Actual production data:

Production during the month	-	1000 kg
Quantity of material used	-	3500 kg
Price of ground, nut	-	Rs. 205 per kg

Calculate :

- Material cost variance
- Material Price Variance

6. From the following information, calculate

- Total kilometers and
- Total Passenger kilometers.

No. of buses	5
Days operated in a month	30
Distance of route	120 km(one side)
Capacity of each bus	40 passengers

Average passengers travelling 70% of capacity.



(3)

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SECTION - C

Answer any Two questions from the following. Each question carries 12 marks.

(2×12=24)

7. A product passes through three processes. During the end of a quarter the cost and production were as under:

Particulars	Total Rs.	A Rs.	B Rs.	C Rs.
Direct Materials	84,820	20,000	30,200	34,620
Direct Labour	1,20,000	30,000	40,000	50,000
Direct Expenses	7,260	5,000	2,260	-
Production overhead	60,000	-	-	-
Normal Loss in input	-	10%	5%	10%
Sale of scrap per unit	-	Rs.30	Rs.50	Rs.60
Production in units	-	920 units	870units	800units

1000 units of Rs. 50 per unit were introduced to process A. There were no stock of materials on work in progress in any process.

Production overhead is allocated to each process on the basis of 50% of direct labour cost.

Prepare Process Accounts.

8. From the following data calculate cost per running mile.

	Rs.
Cost of vehicle	50,000
Road licence (annual)	8,500
Insurance(annual)	7,000
Garage Rent (annual)	5,000
Supervision and salaries	12,000
Drivers wages per hour	300
Cost of fuel per gallon	300
Repairs & maintenance per mile	17.5
Tyre allocation per mile	7.0
Miles run per gallon	20 miles
Estimated life of vehicle	1,00,000 miles
Mileage run (annual)	15,000 miles

Charge interest at 8% p.a. on cost of vehicle. The vehicle runs 20 miles per hour on an average.

[P.T.O.]



(4)

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9. The following were the expenses on a contract which commenced on 1st January 2022

	Rs.
Material Purchased	2,20,000
Material at the end	2,500
Direct wages	30,000
Plant issued	10,000
Direct expenses	16,000

The contract price was Rs.3,00,000. It was duly received when the contract was completed on 30th September 2022. Charge indirect expenses at 15% on wages and provide Rs.2,000 for depreciation on plant. Prepare the contract A/c and contractor's A/c.

SECTION - D

Answer any One question from the following which carries Six marks. (1×6=6)

10. Mention the appropriate method of costing for each of the following:

- Oil refinery
- Construction companies
- Printing press
- Hospital
- Textile
- Hotel

11. Draw a BEP chart with imaginary figures.