



DCBC – 402

IV Semester B.Com. Examination, September/October 2023
(NEP – Freshers)
COMMERCE

Paper – 4.2 : Costing Methods and Techniques

Time : 2½ Hours

Max. Marks : 60

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

SECTION – A

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

1. a) What do you mean by Job Costing ?
- b) What is Abnormal Loss ? Give an example.
- c) Name four industries where process costing is adopted.
- d) What are variable costs ?
- e) What is operating costing ?
- f) What are cost drivers ?
- g) What is Material Usage Variance ? How do you calculate it ?

SECTION – B

Answer **any three** questions. **Each** question carries **4** marks : **(3×4=12)**

2. The following expenditure was incurred on a contract of Rs. 6,00,000 for the year ending 31-12-2020.

Materials Rs. 1,20,000

Wages Rs. 1,60,000

Plant Rs. 20,000

Overheads Rs. 8,000

Cash received on account of the contract to 31st Dec., 2020 was Rs. 2,40,000 and Rs. 3,00,000 is the work certified. The value of materials in hand was Rs. 20,000. The value of plant at site Rs. 16,000. Prepare contract account.

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3. In manufacturing of a product 1000 kgs of raw materials at Rs. 48 per kg were supplied to process X. Other expenses of this process were as follows :

Labour cost – Rs. 12,000

Production Expenses – Rs. 6,000

Normal loss at 10% of input

Scrap per kg – Rs. 12

Actual output in this process was 880 kgs.

Prepare Process X Account.

4. A Transport Company is running 5 buses between two cities which are 60 kms apart. Seating capacity of each bus is 40 passengers. Actual passengers carried were 75% of the seating capacity. Each bus made one round trip per day. All the buses run on all the days of the month. Find the total passengers kms covered during the month of September 2022.

5. Given the following information :

Units of output 10,00,000

Total fixed cost Rs. 15,00,000

Variable cost per unit Rs. 4

Selling price per unit Rs. 10

You are required to determine :

- The break even point
- The profit when 4,00,000 units are sold.

6. Using the following information, calculate :

a) Labour cost variance

b) Labour rate variance and

c) Labour efficiency variance.

Standard hours per unit 15

Standard wage rate per hour Rs. 4

Actual production 1000 units

Actual hour – 15300 hours

Actual wage rate – Rs. 3.50 per hour.



SECTION – C

Answer **any three** questions. **Each** question carries **10** marks : **(3×10=30)**

7. Mr. Anand undertook a contract for Rs. 2,00,000 on 1st Jan. 2003. From the following information, prepare the Contract A/c for the year ending 31-12-2003 :

	Rs.
Materials sent (direct)	45,000
Materials issued from stores	5,000
Plant issued	16,000
Wages	60,000
Sub-contract cost	3,000
Administration expenses	4,000
Working expenses	2,400
Architects fees	2,000
Work certified	1,40,000
Work uncertified	6,400
Plant in hand (31-12-2003)	8,000
Materials in hands (31-12-2003)	2,000

Cash received = 80% of work certified

Of the plant and materials charged to the contract, plant costing Rs. 3,000 and materials costing Rs. 4,000 were destroyed by an accident.

8. Product 'X' is obtained after it passes through three distinct processes. You are required to prepare Process Accounts from the following information:

Particulars	Process X	Process Y	Process Z
Other materials	52,000	39,600	59,240
Direct wages	40,000	60,000	80,000
Normal loss	5%	10%	15%
Value of scrap per unit	40	80	100
Output (actual)	950	840	750

1,000 units at Rs. 60 per unit were introduced in process X. Production overheads of Rs. 1,80,000 are to be distributed as 100% on direct wages.



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

Material A 60 units @ Rs. 15 per unit

Material B 80 units @ Rs. 20 per unit

Material C 100 units @ Rs. 25 per unit

During the month of April 100 units were actually produced and consumption was as follows :

Material A 6,400 units @ Rs. 17.50 per unit

Material B 9,500 units @ Rs. 18.00 per unit

Material C 8,700 units @ Rs. 27.50 per unit

Calculate :

- a) Material Cost Variance
- b) Material Price Variance
- c) Material Usage Variance
- d) Material Mix Variance.

10. The operating results of a company for the last two years are as follows :

	31.3.2001 (Rs.)	31.3.2002 (Rs.)
Sales	2,70,000	3,00,000
Profit	6,000	15,000

Calculate :

- P/V ratio
- BEP
- Sales to make Rs. 1,00,000 profit
- Margin of safety at a profit Rs. 24,000
- Profit earned at Rs. 5,00,000 sales.



11. MBS Transport Company is running four buses between Bangalore and Mandya covering a distance of 100 kms. The seating capacity of each bus is 40 passengers. The following particulars are obtained from its books for the month of September 2022.

Particulars	Rs.
Wages of drivers and conductors	48,000
Salaries of office staff	15,000
Salary of an account	5,000
Diesel, oil and grease	80,000
Repairs and maintenance	16,000
Road tax and insurance	32,000
Depreciation	52,000
Interest and other charges	40,000

Actual passengers carried were 75% of the seating capacity. All the buses ran for 30 days. Each bus made one round trip per day. Find out the fare that the company should charge per passenger k.m., if it wants a profit of 20% on the takings.

SECTION – D

Answer **any one** of the following questions carrying **8** marks : **(1×8=8)**

12. a) Calculate the material variances from the following information :

- a) Material Cost Variance
- b) Material Price Variance.
- c) Material Usage Variance.

Standard price of materials Rs. 4 per k.g.

Standard quantity of materials required per unit of output 10 k.g.

Value of materials purchased Rs. 30,000



Actual output 500 units

Materials purchased 6,000 kg

Opening stock of materials 800 kg

Closing stock of materials 1,600 kg

OR

b) The following information relates to a firm :

Total fixed cost Rs. 6,00,000

Variable cost per unit Rs. 160

Selling price per unit Rs. 200

Find out :

- The breakeven point in units and value.
- Find out the selling price per unit if B.E.P. is brought down to 10,000 units.

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ವಿಭಾಗ - ಎ

ಯಾವುದಾದರೂ ಐದು ಉಪ-ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿ. ಪ್ರತಿ ಉಪ-ಪ್ರಶ್ನೆಯು 2 ಅಂಕಗಳನ್ನು ಹೊಂದಿರುತ್ತದೆ: (5×2=10)

1. ಎ) ಉದ್ಯೋಗ ವೆಚ್ಚ ಶಾಸ್ತ್ರ ಎಂದರೇನು ?

ಬಿ) ಅಸಹಜ ನಷ್ಟ ಎಂದರೇನು ? ಒಂದು ಉದಾಹರಣೆ ಕೊಡಿ.

ಸಿ) ಪ್ರಕ್ರಿಯೆ ವೆಚ್ಚ ಶಾಸ್ತ್ರವನ್ನು ಅಳವಡಿಸಿಕೊಂಡ ನಾಲ್ಕು ಕೈಗಾರಿಕೆಗಳನ್ನು ಹೆಸರಿಸಿ.

ಡಿ) ಬದಲಾಗುವ ವೆಚ್ಚ ಎಂದರೇನು ?

ಇ) ಕಾರ್ಯನಿರತ ವೆಚ್ಚ ಶಾಸ್ತ್ರ ಎಂದರೇನು ?

ಎಫ್) ಕಾಸ್ಟ್ ಡ್ರೈವರ್‌ಗಳು ಎಂದರೇನು ?

ಜಿ) ವಸ್ತು ಬಳಕೆಯ ವ್ಯತ್ಯಾಸ ಎಂದರೇನು ? ಅದನ್ನು ನೀವು ಹೇಗೆ ಲೆಕ್ಕ ಹಾಕುತ್ತೀರಿ ?