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T – 1798

Reg. No. :

Name :

Sixth Semester B.Com. Degree Examination, April 2024

First Degree Programme under CBCSS

Core Course

CO 1642/CX 1642/TT 1642/HM 1642/CC 1642 : APPLIED COSTING

(2018 Admission Onwards)

(Common for Commerce/Commerce and Tax Procedure and Practice/Commerce and Tourism and Travel Management/Commerce and Hotel Management and Catering/Commerce with Computer Applications)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer **all** questions. Each carry **1** mark.

1. What is job costing?
2. State the meaning of batch costing.
3. What do you mean by process costing?
4. Write a note on marginal costing.
5. What is break even analysis?
6. State the meaning of standard costing.
7. What is analysis of variance?

P.T.O.

8. What do you mean by contribution?
9. What is composite cost unit?
10. What do you know about service costing?

(10 × 1 = 10 Marks)

SECTION – B

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

11. What are the features of job costing?
12. What you mean by service specific order costing?
13. Explain Economic Batch Quantity.
14. Explain Cost plus contracts.
15. Write a note on Contract Costing.
16. What are the features of process costing?
17. List out the constituents of standard cost.
18. Comment on 'absorption costing'.
19. What are the features of service costing?
20. What are the methods of apportioning joint costs?
21. What is overhead?
22. State the meaning of direct labour.

(8 × 2 = 16 Marks)

SECTION – C

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

23. Explain the decision-making key factors in marginal costing.
24. Following is the data relating to Job No. 205

Materials	₹ 50,000
Wages	₹ 30,000
Chargeable Expenses	₹ 10,000

Provide 10% of wages as factory overhead and 5% of factory cost as office and administrative overheads at 5% of factory cost. Calculate the total cost of the job.

25. Following are the expenses on a contract which commenced on 1st January 2023.

	(₹)
Material purchased	10,000
Materials on Hand	500
Direct Wages	15,000
Plant Issued	5,000
Direct Expenses	8,000

The contract price was ₹ 1,50,000 and the same was duly received when the contract was completed on November 2023. Charge indirect expenses at 15% on wages. Provide ₹ 1,000 for depreciation on plant. You are required to prepare contract account for the year 2023.

26. From the following information, calculate material cost variance and material price variance. Standard quantity material is 10 kg @ 4 per kg. Actual consumption of material 12 kg @ 4.50 per kg.

27. Fixed cost for the year are ₹ 60,000. The sales for the period are 4,00,000 and variable costs are ₹ 3,00,000. Calculate Break Even Point (BEP) sales.

28. Turkon Company operates a canteen for its employees, providing lunch services. The canteen incurs both fixed and variable costs. The following information is available

Fixed Costs :

Monthly rent for the canteen space : ₹ 1,500

Salaries of canteen staff : ₹ 2,000 per month

Depreciation of kitchen equipment : ₹ 500 per month

Total fixed costs : ₹ 4,000 per month

Variable Costs :

Cost of food ingredients per meal : ₹ 3

Packaging and serving cost per meal : ₹ 1

Activity Level:

The canteen serves an average of 500 meals per day. Calculate the total cost incurred by the canteen and the cost per meal.

29. A television manufacturing company finds that while it costs ₹ 62.50 to make component P-383, the same is available in the market at ₹ 58 each with an assurance of continued supply. The break up of cost is

	(in ₹)
Material	27.50
Labour	17.50
Variable overhead	5.00
Depreciation and other fixed costs	12.50

Should the company make or buy the component?

30. XYZ Construction Company has entered into a cost-plus contract with a client to build a commercial office space. The terms of the contract specify that the contractor will be reimbursed for all allowable costs incurred, plus a fixed fee of 15% on the total allowable costs. The following information is available for a specific project:

Direct costs (materials, labor, and equipment) : ₹ 2,00,000

Indirect costs (overhead, utilities, etc.) : ₹ 30,000

Fixed fee percentage : 15%

Calculate the total amount to be billed to the client under the cost-plus contract.

31. Differentiate between standard costing and historical costing.

(6 × 4 = 24 Marks)

SECTION – D

Answer **any two** questions. Each question carries **15** marks.

32. From the following figures, show the cost of the three processes of manufacture. The production of each process is passed on to the next process immediately on completion.

	Cutting (₹)	Welding (₹)	Assembling (₹)
Wages and Materials	30,400	12,000	29,250
Works Overhead	5,600	5,250	6,000
Production (in Units)	36,000	37,500	48,000
Stock, 1 st July 2023 (Units from preceding process)		4,000	16,500
Stock, 31 st July 2023 (Units from preceding process)		1,000	5,500

33. Chand chemical industries provide the following information from their records, for making 10 kg of OMO, the standard material requirement is

Material	Quantity (in Kg)	Rate per kg (in ₹)
X	8	6
Y	4	4

During December 2023, 100 kg were produced. The actual consumption of materials is as under

Material	Quantity (in Kg)	Rate per kg (in ₹)
X	75	7
Y	50	5

Calculate :

- (a) Material cost variance
 - (b) Material Price variance
 - (c) Material usage variance
34. Following data is extracted from Mariyamman transport Company Ltd., calculate the cost per running km:

	(₹)
Cost of vehicle	25,000
Road License per year	750
Salaries per year	4300
Insurance per year	850
Driver's wages per hour	4.00
Cost of fuel per litre	1.50
Repairs and maintenance per km.	1.50

	(₹)
Tyre cost per km.	1.00
Garage rent per year	3,600
Kms. run per litre	6.00
Kms. run during the year	15,000
Estimated life of vehicle (kms.)	1,00,000
Vehicle run per hour (km.)	20.00

35. Explain the process of determination of profit or loss on contracts under costing.

(2 × 15 = 30 Marks)
