

Reg. No. :

Name :

Sixth Semester B.Com. Degree Examination, April 2023

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** question carries **1** mark.

1. In which type of industries, job costing is applicable?
2. What is work certified?
3. What is normal loss?
4. What are joint products?
5. How is the unit of cost determined in hotel costing?
6. What is a composite cost unit?
7. Define marginal cost.
8. When do you advise a plant 'to shut down' under marginal costing analysis?
9. What is standard cost?
10. What is variance analysis?

(10 × 1 = 10 Marks)

SECTION – B

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

11. What is escalation clause?
12. Distinguish between job costing and contract costing.

13. How will you deal with by products in costing where they are of small total value?
14. Write short note on costing for power house.
15. What is meant by service costing?
16. What does P/V ratio indicate?
17. What is meant by 'key factor'?
18. What is material mix variance?
19. Write any two limitations of standard costing?
20. When the sales increased from Rs. 80,000 to Rs. 1,20,000 the profit increased by Rs. 10,000. Calculate P/V ratio.
21. Calculate economic batch quantity.

Annual demand	8,000 units
Set up cost per batch	Rs. 20
Cost of carrying inventory per unit	Rs. 2
22. 3,000 meters of leather is purchased at a cost of Rs. 25 per metre. Normal wastage on account of cutting a bundle of leather into pieces of one metre is expected at 10%. The wastage has a saleable value of Rs. 2.05 per metre. Calculate the production cost of work order requiring 1,000 pieces of cut leather.

(8 × 2 = 16 Marks)

SECTION – C

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

23. What is cost plus contract? State its merits and demerits?
24. How is marginal costing useful in the decision making?
25. What are the benefits of variance analysis?
26. What are the objectives of transport costing?
27. Calculate the passenger kilometers covered by a fleet of 4 taxies run by Calicut Travels from Kozhikode to Mini Ooty (45 kms) and back 4 trips each day with 5 passengers on an average on each vehicle, for the month of November 2022.
28. The following are obtained from the records of a factory:

	Rs.
Sales (4,000 units @ Rs. 25 each)	1,00,000
Variable cost	72,000
Fixed cost	16,800

Calculate margin of safety.

29. Calculate material mix variance
- | Raw materials | Standard | Actual |
|---------------|----------------------------|----------------------------|
| X | 80 units @ Rs. 15 per unit | 90 units @ Rs. 16 per unit |
| Y | 60 units @ Rs. 16 per unit | 50 units @ Rs. 17 per unit |

30. Printwell Ltd took up two jobs during the first week of January 2023. The following details were available:

	Job 101	Job 102
	Rs.	Rs.
Materials supplied	2,000	1,400
Wages paid	900	600
Direct expenses	100	—
Materials returned to stores	—	50
Materials transferred from Job 102 to Job 101	Rs. 100	

Find the cost of each job.

31. From the following information, prepare a process a/c.

Transfer from previous process	— 1,000 units at Rs. 4 per unit
Labour cost	Rs. 500
Materials	Rs. 2,000
Production overheads	Rs. 350

The normal process loss has been estimated at 10% of the input, which can be sold at Rs. 1 per unit. Actual production realised 850 units.

(6 × 4 = 24 Marks)

SECTION – D

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

32. A factory produces 24,000 units. The cost sheet gives the following information—

	Rs.
Direct materials	2,40,000
Direct wages	1,68,000
Variable overheads	96,000
Semi variable overheads	56,000
Fixed overheads	1,60,000
Total cost	<u>7,20,000</u>

The product is sold at Rs. 40 per unit. The management proposes to increase the production by 3,000 units for sale in the foreign market. It is estimated that the semi variable overheads will increase by Rs. 2,000. But the product will be sold at Rs. 28 per unit in the foreign market. However, no additional capital expenditure will be incurred. Would it be profitable for the company?

33. From the data given below, calculate all materials variances.

Consumption for 100 units of product

Raw materials	Standard	Actual
A	40 units @ Rs. 50 per unit	50 units @ Rs. 50 per unit
B	60 units @ Rs. 40 per unit	60 units @ Rs. 45 per unit

34. Find out equivalent production, cost per unit of equivalent production and prepare process account from the following:

Units put into process	2,500
Units completed	2,000
Work in progress at the end	500 units
Process costs :	Rs.
Materials	22,500
Labour	6,750
Overheads	2,250

Work in progress is completed 50% as to materials, labour and overheads.

35. From the following particulars prepare operating cost sheet.

Total units generated	20,00,000 kwh
Operating labour	Rs. 50,000
Repairs	Rs. 50,000
Lubricants	Rs. 40,000
Plant Supervision	Rs. 30,000
Administration overheads	Rs. 20,000
Capital Cost	Rs. 20,00,000
Coal consumed per kwh	2.5 kg at Rs. 0.02 per kg
Depreciation rate	5 % per annum

(2 × 15 = 30 Marks)