

30. Construction Ltd is engaged on two contracts A and B during the year. Following particulars are obtained at the year end (Dec. 31):

Date of commencement	Contract A	Contract B
	April 1	September 1
Contract price	6,00,000	5,00,000
Materials issued	1,60,000	60,000
Materials returned	4,000	2,000
Materials at site (Dec. 31)	22,000	8,000
Direct labour	1,50,000	42,000
Site expenses	66,000	35,000
Establishment expenses	25,000	7,000
Plant installed at site	80,000	70,000
Value of plant (Dec. 31)	65,000	64,000
Cost of contract not yet certified	23,000	10,000
Value of contract certified	4,20,000	1,96,000
Cash received from contractee	3,78,000	1,25,000
Architect's fees	2,000	1,000

During the period materials amounting to Rs. 9,000 have been transferred from contract A to contract B. You are required to show :

- Contract Accounts
- Contractee's Accounts and
- Extract from Balance Sheet as on December 31, clearly showing the calculation of work-in-progress.

31. Explain different types of budgets. What is the purpose of classifying budgets in different types? How does it helps to operate budgetary control technique efficiently and effectively?

(2 x 15 = 30 Marks)

(4)

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(Pages: 4)

Name:

Reg. No.....

FOURTH SEMESTER B.Com. PROFESSIONAL DEGREE EXAMINATION, APRIL 2019

(CUCBCSS-UG)

CC17U BCP4 B01 - APPLIED COST ACCOUNTING

B.Com Professional - Core Course

(2017 Admission onwards)

Time: Three Hours

Maximum: 80 Marks

Part I

Answer *all* questions. Each question carries 1 mark.

(A) Choose the correct answer:

- A product which has practically no sales or utility value is :
(a) Waste (b) scrap (c) spoilage (d) defective
- In ----- contract with escalation clause, the contractor can claim for increase in prices of input to the agreed extent:
(a) Rate (b) Cost-plus (c) Fixed price (d) Government
- A bus carries 25 passengers daily for 25 days and its mileage per month is 1,000 kms. Its passenger miles are:
(a) 30,00 (b) 12,500 (c) 20,000 (d) 25,000
- Sales budget is a -----
(a) Functional budget (b) Master budget
(c) Flexible budget (d) cash budget
- The type of standard best suitable for cost control purpose is
(a) basic standard (b) Ideal standard
(c) Normal standard (d) Expected standard

(B) Fill in the blanks:

- Pharmaceuticals company adopts ----- costing method
- Equivalent units represent the production of a process in terms of ----- units.
- Standard costing is widely applied in ----- industries
- The stage of production at which separate products are identified is known as-----
- Zero base budget was first used by -----

(10 x 1 = 10 Marks)

(1)

Turn Over

Part II (Short answer questions)

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

11. What is job costing?
12. What is de-escalation clause?
13. What are the features of unit costing?
14. What is Economic Batch Quantity?
15. What do you mean by abnormal gain in process costing?
16. What is budget manual?
17. What is the difference between work certified and uncertified?
18. What do you mean by Volume Variance?
19. What are defectives?
20. What is Daily Log Sheet?

(8 x 2 = 16 Marks)

Part III

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

21. What are the various techniques of costing useful for business decision making?
22. State the process of determining the profit of incomplete contracts.
23. Explain various methods of apportionment of joint product costs
24. What is master budget? What are its components?
25. The information given below relates to a manufacturing company, for the year ended 31st March 2018;
 Materials used Rs. 60,000, Direct labour Rs. 30,000, Factory overhead Rs.18,000,
 Direct labour hours 12,000, Machine hours 10,000.
 The following information relates to job No.75
 Materials used 1,200, Direct labour Rs. 650, Direct labour hours 265, Machine hours 255.
 Calculate prime cost and factory cost of Job No. 75 using percentage on direct labour cost as a method of absorbing factory overheads.
26. X Ltd presents the following information for November 2018. Budgeted production of P -200 units. Standard consumption of raw material – 2 kg per unit of P. Standard Price of A – Rs 6 per kg.
 Actually 250 units of P were produced and material A was purchased at Rs. 8 per kg and consumed at 1.8 kg per unit of P. Calculate MCV, MPV and MUV.

(2)

27. From the following data calculate the cost per km. of a vehicle:

Value of vehicle	Rs. 15,000
Road license fee per year	Rs. 500
Insurance charges per year	Rs 100
Garage rent per year	Rs. 600
Drivers wages per month	Rs. 200
Cost of petrol per litre	Rs. 0.80
Kms, per litre	8
Proportionate charges for tyre and maintenance per km.	0.20
Estimated life	1,50,000 kms
Estimated annual kms.	6,000

Ignore interest on capital.

28. A manufacturer buys certain equipment from outside supplies at Rs. 30 per unit. The annual needs are 800 units. The following further datas are available.
 Annual return on investment 10%, Rent, insurance and taxes per unit per year Re. 1
 Cost of placing an order Rs. 100. Determine EBQ.

(6 x 4 = 24 Marks)

Part IV

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

29. ABC Ltd processes product Z through two distinct processes, Process I and Process II. On completion, it is transferred to finished stock. From the following information for the year 2017-18, prepare process I, Process II and finished stock Account.

Particulars	Process I	Process II
Raw materials used	7,500 units	
Raw materials cost per unit	Rs. 60	
Transfer to next process/finished stock	7,100 units	6,525 units
Normal loss	5%	10%
Direct wages	Rs. 1,35,750	Rs. 1,29,250
Direct expenses	60% of direct wages	65% of direct wages
Manufacturing overheads	20% of direct wages	15% of direct wages
Realisable value of scrap per unit	Rs. 12.50	Rs. 37.50

6,000 units of finished goods were sold at a profit of 15% on cost. Assume that there was no opening or closing stock of work-in-progress

(3)

Turn Over