

30. The following details are available from the books of accounts of a contractor with respect to a particular construction work for the year ended 31st March.

	Rs.
Contract price	91,00,000
Cash received from Contractee (90% of work certified)	71,91,000
Material sent to site	35,82,600
Cost of plant installed at site	7,00,000
Direct expenses	1,68,000
Establishment expenses	2,03,000
Material returned to store	14,840
Head office expenses apportioned	2,50,000
Cost of work uncertified	3,17,000
On 31 st March 2019:	
Material at site	85,400
Accrued direct wages	78,120
Accrued direct expenses	9,130
Value of plant (as revalued)	6,16,000

You are required to prepare the Contract Account for the year ended 31st March 2019 and also show the relevant Balance sheet entries.

31. Distinguish between budgeting and budgetary control? Highlight the essentials and limitations of budgetary control.

(2 x 15 = 30 Marks)

19U414

(Pages: 4)

Name:

Reg. No.....

FOURTH SEMESTER B Com PROFESSIONAL. DEGREE EXAMINATION, APRIL 2021
(CUCBCSS-UG)

CC17U BCP4 B14 - 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:

1. Notional loss arising out of a contract is transferred to:

(a) WIP reserve	(b) Contractee's account
(c) Costing P/L account	(d) None
2. 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
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3. A bus carries 25 passengers daily for 25 days and its mileage per month is 1,000 kms. Its passenger miles are:

(a) 30,000	(b) 12,500	(c) 20,000	(d) 25,000
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4. The budget which commonly takes the form of budgeted profit and loss account and Balance sheet is

(a) Cash budget	(b) Master budget	(c) Flexible budget	(d) Expenditure budget
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5. In process costing, cost per unit increases because of

(a) normal loss	(b) abnormal loss	(c) normal gain	(d) abnormal gain
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(B) Fill in the blanks:

6. Printers use ----- costing.
7. In transport undertakings, a ----- is maintained for each vehicle to record details of trips made by vehicles during a specified period of time.
8. Amount realized from the sale of factory scrap may be deducted from -----
9. ----- budget is based on cost-benefit analysis
10. Process costing is a ----- of costing.

(10 x 1 = 10 Marks)

Part II (Short answer questions)

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

11. What are the features of process costing?
12. What is sub-contract?
13. What are the features of unit costing?
14. How to calculate E B Q?

15. What do you mean by normal loss in process costing?
16. What is meant by zero base budgeting?
17. What is meant by de-escalation clause?
18. What do you mean by labour variance?
19. What are spoilages?
20. What is Daily Log Sheet?

(8 x 2 = 16 Marks)

Part III

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

21. State the main objectives of analysis of joint cost?
22. Describe the managerial use of Standard Costing.
23. What are the features of service costing?
24. What is meant by budget manual? State its uses.
25. The accounts of a machine manufacturing company disclose the following information for the six months ending 31st dec.2019

Materials used	Rs. 1,50,000
Productive wages.	Rs. 1,20,000
Factory overhead expenses	Rs. 24,000
Establishment and general expenses	Rs. 17,640

Prepare the cost sheet of the machines and calculate the price which the company should quote for the manufacture of a machine requiring materials valued at Rs. 1,250 and expenditure in productive wages of Rs.750, so that the price may yield a profit of 25% on selling price.

26. A manufacturing concern which has adopted standard costing furnishes the following information:

Standard:

Materials for 80 kg finished products	-	100 kg.
Price of material	-	Rs. 120 per Kg.

Actual:

Output	-	2,40,000 Kg.
Material used	-	3,15,000 kg.
Cost of materials	-	3,46,500 kg.

Calculate:

- (1) Material Price Variance:
- (2) Material Usage Variance
- (3) Material Cost variance.

(2)

27. A transport Co. supplies the following details in respect of a truck of 5 tonne capacity

Cost of truck	90,000
Estimated life	10 years
Diesel and oil	15 per trip each way
Repairs and maintenance	500 per month
Drivers wages	500 per month
Cleaners wages	250 per month
Insurance	4,800 per year
Tax	2,400 per year
General supervision charges	4,800 per year

The truck carries goods to and from the city covering a distance of 50 miles away. The outward trip freight is available to the extent of full capacity and on return 20% of capacity. Assuming that the truck runs on an average 25 days a month, work out operating cost per tonne mile.

28. The following information at 50% capacity is given. Prepare a flexible budget at 60%, 70% and 90% capacity.

	Expenses at 50% capacity (Rs)
Fixed expenses	2,20,000
Variable expenses	4,90,000
Semi-variable expenses	3,40,000

It is estimated that fixed expenses will remain constant at all capacities. Semi-variable expenses will not change between 45% and 60% capacity, will rise by 10% between 60% and 75% capacity, a further increase of 5% when capacity crosses 75%.

(6 x 4 = 24 Marks)

Part IV

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

29. From the following details, prepare statement of equivalent production, statement of cost, statement of evaluation and process account by following FIFO method.

Opening work-in-process (2000 units)

	Rs.	Rs.
Materials (100% complete)	5,000	
Labour (60% complete)	3,000	
Overheads (60% complete)	1,500	9500
Units introduced into the process	8,000	

There are 2000 units in progress and the stage of completion is estimated to be as Material 100%; Labour 50%; overheads 50%.

8000 units are transferred to the next process: The process costs for the period are: Materials Rs.96,000; Labour Rs.54,600; Overheads Rs. 31,200

(3)

Turn Over