D4BCP2201 (PAGES 4) **Reg. No.............................**

Name: ....

FOURTH SEMESTER B.Com. DEGREE EXAMINATION, APRIL 2024

(Regular/Improvement/Supplementary)

PROFESSIONAL

GBCP4B14T: APPLIED COST ACCOUNTING

Time: 3 Hours **MaximumMarks:80**

PART A: Answer *all* the questions. Each carries *one* mark.
Choose the correct answer.

1. Total of all direct cost is termed as………………..

   A) Prime cost. B) Work cost. C) Cost of sales. D) Cost of production.

2. Process costing is suitable for………………….

   A) Hospitals. B) Oil refining firms. C) Transport firms. D) Brick laying firms.

3. Cost classification can be done in:

   A) Two ways. B) Three ways. C) Four ways. D) Several ways.

4. Direct expenses are also called:

   A) Major expenses. B) Chargeable expenses.

   C) Overhead expenses. D) Sundry expenses.

5. The cost which is to be incurred even when a business unit is closed is a/an:

   A) Imputed cost. B) Historical cost. C) Sunk cost. D) Shut down cost.

Fill in the Blanks.

6. Warehouse rent is a part of …………….
7. Tender is an estimation of ……………
8. The loss incurred on an incomplete contract is transferred to ……… account.
9. Job costing is applied only in …………………. concern.
10. The method of costing applied in biscuit industries is …………………….

(10 x1=10 Marks)

PART B:Answer any *eight*questions. Each carries *two* marks.

11. What is zero base budgeting?
12. What is cost centre?
13. List out any three components of administrative overhead.
14. What is variable overhead?
15. Comment on bill of materials.

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16. Define standard costing.

17. What is a profit centre?

18.Give an account on functional budget.

19. Distinguish between joint product and by-product.

20. What is batch costing?

(8 x2=16 Marks)

PART C: Answer any *six* questions. Each question carries *four* marks.

21. What is master budget? Enlist its components.

22.The expenses budgeted for production of 10,000 unit in a factory are furnished below:

	Per unit in Rs
Material cost	70
Labour cost	25
Variable factory over head	20
Fixed overhead (Rs.1,00,000)	10
Variable expenses(Direct)	5
Selling expenses (20% fixed)	15
Distribution overhead (10% fixed)	10
Administration expenses (Rs.50,000)	5

Prepare a flexible budget for production of 8,000 units.

23.Define contract costing. Discuss its features.

24. What are the advantages of budgeting?

25. From the following data calculate the cost per mile of a vehicle:

Value of vehicle Rs. 15,000

Road license for the year 500

Insurance charges per year 100

Garage rent per year 600

Drivers' wages per month 200

Cost of petrol per litre 0.80

Miles per litre 8

Proportional charge for tyre and

maintenance per mile 0.20

Estimated life 1,50,000 miles

Ignore interest on capital.

26. A bus with a capacity of 50 passengers makes a return trip from P to Q via station X every day. The distance between P and X is 60 kms whereas between X and Q is 40 km. During the onward journey, the bus is full to capacity up to station X but only 60% full between X and Q. On the otherhand, on return trip it is full from Q to X but only comes 40% of the capacity between X and P. Compute the total passenger kms of service the bus renders every day.
27. What are the advantages and disadvantages of standard costing?
28. From the following particulars calculate the cost of Job No.505 and price for the job to give a profit of 25% on the selling price.

Material: Rs. 6,820

Wage details:

Department X: 60 hrs @ Rs. 3 per hr.

Y: 50 hrs @ Rs. 3 per hr.

Z: 30 hrs @ Rs. 5 per hr.

The variable Overheads are as follows:

Department X: Rs. 5000 for 5000 hrs.

Y: Rs. 4000 for 2000 hrs.

Z :Rs. 2000 for 500 hrs.

The total fixed expenses amounted to Rs. 20,000 for 10,000 working hours. Calculate the cost of Job No. 505 and price for the job to give a profit of 25% on selling price

(6 x4=24 Marks)

PART D:Answer any *two* questions. Each carries *fifteen*marks.

29.What are the factors to be considered before installation of a costing system in an organisation?

30. From the following information, prepare a process account, abnormal gain account and normal loss account:

Input of raw material	840 units @ 40 per unit
Direct material	Rs. 5,924
Direct wages	Rs. 8,000
Production overheads	100% of Direct wages
Actual output transferred to next process	750 units
Normal loss	15%
Value of scrap per unit	Rs. 10 per unit

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31. XY Ltd. undertook a contract, the following was the expenditure on a contract for Rs. 6,00,000.

Material issued to contract Rs. 1,02,000

Plant issued for contract Rs. 30000

Wages Rs.1,62,000 Other expenses Rs. 10,000

Cash received on account of contract up to 31st march 2021 amounted to Rs.2,56,000 being 80% of work certified. Of the plant and material charged to the contract, plant costing Rs.3,000 and material costing Rs. 4,000/ were lost. On 1st March 2021, Plant which cost Rs. 2,000 was returned to the store, the cost of work done but not certified was Rs. 3,000 and material costing Rs. 2,500 were in hand on site. Provide 10% depreciation on plant, reserve 1/3 of profit received and prepare contract account from the above particulars.

(2x15=30Marks)