

## FOURTH SEMESTER UG DEGREE EXAMINATION, APRIL 2025

(Regular/Improvement/Supplementary)

B.COM. PROFESSIONAL

GBCP4B14T: APPLIED COST ACCOUNTING

Time: 3 Hours

Maximum Marks: 80

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

1. Unit costing is a \_\_\_\_\_.  
A) Technique                      B) Method                      C) Process                      D) Quotation
2. Contract costing is a specialized system of job costing applied to \_\_\_\_\_ contract.  
A) Short term                      B) Medium term                      C) Long term                      D) Continuous process
3. An input of 5000 kg. of material introduced into the process and expected loss is 8 % and if the actual output from the process is 4,300 kg., the abnormal loss is \_\_\_\_\_ kg.  
A) 400                      B) 300                      C) 700                      D) 500
4. Master budget is a summary of \_\_\_\_\_.  
A) Cash budget                      B) Sales budget  
C) Production budget                      D) All functional budget
5. Labour cost variance is the difference between \_\_\_\_\_.  
A) Standard labour cost and actual labour cost                      C) Estimated labour cost and standard labour cost  
B) Fixed labour cost and variable labour cost                      D) None of these

**Fill in the Blanks.**

6. Cost of sale is calculated by adding \_\_\_\_\_ to cost of goods sold.
7. In contract costing, payment of cash to the contractor is made on the basis of \_\_\_\_\_.
8. When actual losses are more than estimated loss, the difference between the two is considered to be \_\_\_\_\_.
9. \_\_\_\_\_ budget is prepared for more than one levels of activity.
10. Standard cost is a \_\_\_\_\_ cost.

**(10 × 1 = 10 Marks)****Part B. Answer any *eight* questions. Each question carries *two* marks.**

11. What is transport costing?
12. Comment on performance budgeting.
13. What is cost plus contract?

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14. Write a note on abnormal gain.
15. What is equivalent production?
16. Differentiate between waste and scrap.
17. What do you mean by variance?
18. State the meaning of escalation clause of a contract.
19. Comment on budget manual.
20. Define batch costing.

**(8 × 2 = 16 Marks)**

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

21. What is the tender / quotation? How is it prepared?
22. Explain the advantages and disadvantages of standard costing.
23. What is ZBB? What are the steps involved in ZBB?
24. Following data are available from the costing records of a factory:

| Opening stock:            |        | Closing stock:   |        |
|---------------------------|--------|------------------|--------|
| Raw materials             | 20,000 | Raw materials.   | 12,000 |
| Work-in-progress          | 8,000  | Work-in-progress | 16,000 |
| Finished goods            | 16,000 | Finished goods   | 24,000 |
| Purchase of raw materials | 60,000 |                  |        |
| Direct wages              | 40,000 |                  |        |
| Factory overhead          | 12,000 |                  |        |

Ascertain factory cost.

25. From the following particulars prepare the cost sheet for Job and find out the value of the job:

|                              |            |
|------------------------------|------------|
| Materials issued for the job | Rs. 18,000 |
| Productive wages             | Rs. 13,800 |
| Direct expenses              | Rs. 1,500  |

Provide 70% on productive wages for works on cost and 13% on works cost for office on cost. Profit to be realized 20% on the selling price.

26. From the following information calculate total kms. and total passenger kms.

|                              |                    |
|------------------------------|--------------------|
| No. of Buses.                | 4                  |
| Days operated in the Month.  | 30                 |
| Trips made by each bus.      | 5                  |
| Distance of route.           | 25 kms. (One side) |
| Capacity of Bus              | 50 passengers      |
| Normal passenger travelling. | 90% capacity       |

27. In process A 100 units of raw materials were introduced at a cost of Rs. 2000. The other expenditure incurred by the process was Rs.1200. Of the units introduced 10% are normally lost in the course of manufacture and they possess a scrap value of Rs. 5 each. The output of Process A was only 80 units. Prepare Process A Account and Abnormal Loss Account.
28. Product X requires 50 kgs, of materials at the rate of Rs. 20 per kg. The actual consumption of materials for the manufacturing of that product came to 60 kgs, of materials at the rate of Rs. 25 per Kg. Calculate:

(a) Material cost variance, (b) Material price variance, (c) Material usage variance

**(6 × 4 = 24 Marks)**

**Part D. Answer any two questions. Each carries fifteen marks.**

29. 10,000 units of raw materials are introduced into a process at a cost of Rs. 20,000. Wages and overheads for the process are Rs. 5,100 and Rs. 3,400 respectively, 7,500 units were completed ; of the remaining 2,500 units on the average 40% work has been done in respect of labour and overheads.

Prepare (i) Statement of Equivalent Production, (ii) Statement of Cost, (iii) Statement of Evaluation, and (iv) Process Account.

30. The expenses budgeted for production of 5,000 units in a factory are furnished below:

|                                               | Per unit |
|-----------------------------------------------|----------|
| Materials.                                    | 35       |
| Labour.                                       | 12       |
| Variable Factory Overheads.                   | 10       |
| Fixed Factory Overheads (Rs. 50,000)          | 10       |
| Variable Expenses (Direct)                    | 10       |
| Selling Expenses (10% fixed)                  | 15       |
| Distribution Expenses (20% fixed).            | 8        |
| Administrative Expenses (Fixed - Rs. 50,000). | 10       |

You are required to prepare a budget for the production of 3000 units and 7,000 units.

31. Following was the expenditure on a contract for Rs. 12,00,000 commenced in February, 2024: Materials Rs 2,40,000; Wages Rs 3,22,000; Plant Rs. 50,000; general expenses Rs.17000. material returned Rs. 2500.Cash received on account to 31st December, 2024 amounted to Rs. 4,80,000 being 80 per cent of work certified; the value of materials in hand at 31-12-2024 was Rs 25,000. Prepare the Contract Account for 2024 showing the profit to be credited to the year's Profit and Loss Account. Plant is to be depreciated at 10%.

**(2 × 15 = 30 Marks)**