TB256745C

Reg. No :...............................

Name :...................................

BACHELOR'S DEGREE (C.B.C.S) EXAMINATION, MARCH 2025

2018, 2019, 2020, 2021 ADMISSIONS SUPPLEMENTARY

SEMESTER VI - CORE COURSE (COMMERCE)

CO6B20B18 - Cost Accounting II

Time : 3 Hours **Maximum Marks : 80**

Part A

I. Answer any Ten questions. Each question carries 2 marks **(10x2=20)**

1. Give a short note on Fixed price Contract.
2. Elucidate Batch Costing.
3. Explain Transport costing.
4. Describe Tonne Kilometre.
5. Give any two differences between job costing and process costing.
6. Give the accounting treatment for Abnormal Loss.
7. Explain P/V Ratio.
8. Describe Angle of Incidence .
9. Fixed Cost = Rs 1,50,000 , V.C per unit = Rs 10 , S.P per unit = Rs 15. Calculate P/V Ratio.
10. Explain the Budget Centre.
11. Explain sales budget.
12. Illustrate Budget Manual.

Part B

II. Answer any Six questions. Each question carries 5 marks **(6x5=30)**

13. On 01.01.2011 Joseph undertook a contract of Rs.5,00,000. He incurred the following expenses during the year.

Materials issued from stores	Rs.50000
Materilas purchased for the contract	Rs.45000
Plant	Rs.35000
Wages paid	Rs.100000
Wages accrued on 31-12-2011	Rs.40000
Direct expenses paid	Rs.10000
Direct expenses accrued on 31-12-2011	Rs.2500
Establishment expenses	Rs.6500

Of the plant and materials charged to the contract, plant which cost Rs.2000 and materials costing Rs.1500 were lost. Materials costing Rs.2000 were sold for RS.2500. On 31-12-2011, plant which cost Rs.500 was returned to the store and part of the plant which cost Rs.200 was damaged.

The work certified was Rs.2,40,000 and 80% of the same was received in cash. The cost of work done but uncertifed was Rs.1,000 . Charge 10% depreciation on plant. Prepare the contract account for the year ended 31st December,2011 by transferring to the P&L A/C , the portion of the profit if any.

14. A Ltd. is committed to supply 24,000 bearings per annum to B Ltd. on steady basis. It is estimated that it costs 10 paise as inventory holding cost per bearing per month and that the set-up cost per run of bearing manufacture is Rs. 324.

1. Calculate the optimum run size for bearing manufacture.

2. Determine the interval between two consecutive optimum runs.

15. Lifestyle Hospital , Kanjirappally , operates all days in a year. Its maximum bed capacity is 50. On an average, all the beds are fill for 150 days . For 100 days it gets 30 seats each fill and for the balance of days there may be only 20 patients per day on an average.The following relate to the expenses and incomes of the hospital for the year:

Total collection from the patients for the year	2,60,00,000
Food	18,00,000
Medicines	52,00,000
Premises Rent	20,00,000
Repairs and Maintenance	12,00,000
General Administration Expenses	5,00,000
Depreciation	9,00,000
Doctor's Fee	40,00,000
Salaries to Staff	30,00,000
Cost of Oxygen , X-ray , etc	12,00,000
Diagnostic Services	24,00,000
Laundry	5,00,000

Prepare statement showing:

i. Total Operating Cost for the year ending 31st March , 2019

ii. Cost per patient day

iii. Operating profit for the year

16. Product of a factory passes through two processes. Process A & Process B. The following relate to the processes:

	Process A	Process B
Labour (Rs.)	6,000	4,000
Direct expenses (Rs.)	2,000	3,000
Indirect expenses(Rs.)	2,400	3,710
Actual output (units)	900	800
Normal wastage	10%	10%
Scrap value of wastage per unit (Rs.)	4	5

1,000 units are introduced to process A at a cost of Rs.17 per unit. Prepare process accounts and wastage accounts.

17. The following particulars relate to Process Y. You are required to prepare Process Account , Abnormal loss and Normal loss Account.

Units introduced 10,000 units @ Rs.20

Indirect material -Rs 24, 000

Direct Labour- Rs 40,000

Factory overheads- 50%of labour

Normal wastage 8%of unit introduced

Actual output-9,000 units

scrap value of wastage-Rs.10 per unit.

18. Explain Break Even Analysis and its assumptions.

19. The costing department of X Ltd .estimates the following cost elements for producing a product. Direct Material Rs 80,000 ;Direct Labour 400 hrs @ Rs 100 each; Variable overheads rate at Rs 10 per hr ; Fixed cost to be considered is Rs 20,000.What would be the minimum price to be charged in conditions of:

i. Recession at which the company works only at below normal capacity
ii. During depression at which demand is very low .

20. Draw up a Format of cash Budget.
21. Explain the advantages of Zero Based Budgeting.

Part C

III. Answer any Two questions. Each question carries 15 marks **(2x15=30)**

22. M/S Rohan and Raj contractors Ltd were engaged on one contract during the year .The contract price was Rs 4,00,000. The Trial Balance on 31st December was as follows:

Particulars	Rs.	Rs.
Share capital		80,000
Sundry creditors		8,000
Land and Building	34,000	
Bank	9,000	
Contract Account: Materials Plant Wages Expenses	 75,000 20,000 1,05,000 5,000	
Cash received being 80% of works certified		1,60,000
	2,48,000	**2,48,000**

Of the plant and materials charged to the Contract ,Plant costing Rs 3,000 and Materils costing Rs. 2,400 was destroyed by an accident.On 31st December ,Plant which costs Rs. 4,000 was returned to the store,the value of materials on site was Rs. 3,000 and Cost of work done but not certified was Rs. 2,000.Charge 10% of depreciation on plant.Prepare Contract account and Balance sheet on 31st December.

23. The product of a manufacturing unit passes through two different processes. Going by past experience, the incidence of wastage is ascertained as:
Process A - 2% and Process B- 10%.
The realisation of wastage in Process A and B is Rs.25 and Rs.50 per 100 units respectively. 40,000 units of crude material were introduced in Process A in April at a cost of Rs.16,000.
The following information is further available for the month.

	Process A (Rs.)	**Process B (Rs.)**
Other Material	16,000	5,000
Direct Labour	9,000	8,000
Direct expenses	8,200	1,500
Output (units)	39,000	36,500
Finished stock (units)		
Apr-01	6,000	5,000
Apr-30	5,000	8,000
Value of stock per unit on April 1 (Rs.)	1.20	1.60

The stock is valued and transferred to the subsequent process at weighted average costs. Prepare the necessary process accounts of the firm.

24. From the following information you are required to find out

1. Contribution
2. BEP (in units)
3. Margin of safety
4. Profit
5. Volume of Sales to earn a profit of Rs 6,000

Total F.C	= Rs 4,500
Total V.C	= Rs 7,500
Total Sales	= Rs 15,000
Units sold	= 5,000 units

25. A Factory is currently working at 50% capacity and produces 10,000 units.At 60% capacity,the raw material costs increases by 2% and selling price falls by 2%.At 80% raw material cost increases by 5% and selling price falls by 5%.At 50% capacity working,the product costs Rs 180 per unit and sold at Rs 200 per unit.The cost of Rs 180 is made up as follows:

Particulars	Rs
Materials	100
Labour	30
Factory overhead(40% Fixed)	30
Administration overhead (50% Fixed)	20

You are required to estimate the profits of the company when it works to 60% and 80% capacity.