

M.Com(CS) DEGREE EXAMINATION, APRIL 2020
I Year II Semester
Applied Costing

Time : 3 Hours

Max.marks :75

Section A ($10 \times 2 = 20$) Marks

Answer any **TEN** questions

1. Define cost accounting.
2. Calculate work cost
 - a) Factory expenses Rs.700
 - b) Office expenses Rs.300
 - c) Selling expenses Rs.900
 - d) Material consumed Rs.3,400
3. What is Unit or Single or Output Costing?
4. Define Job Costing.
5. What is Batch Costing?
6. Compute the amount of work certified:
Cash received Rs.9,00,000, being 90% of work certified.
7. What are Joint products?
8. What is equivalent production?
9. What is "Memorandum Reconciliation Account"?
10. Ascertain the profit as per cost accounts from the details given below:
 - a) Profit as per Financial Accounts Rs.35,000
 - b) Dividends received on investment Rs.5,200
 - c) Loss on sale of building Rs.4,000
11. What is standard costing?
12. Calculate material cost variance for the following

	Standard	Actual
Quantity	400 kg	460 kg
Price	2 per kg	Rs.1.50 per kg

Answer any **FIVE** questions

- | | Rs |
|---|-----------|
| Stock of materials on 1st Jan 2006 | 20,000 |
| Purchase of materials in January | 5,50,000 |
| Stock of finished goods on 1st January 2006 | 25,000 |
| Production wages | 2,50,000 |
| Finished goods sold | 12,00,000 |
| Works overhead charges | 75,000 |
| Office and general expenses | 50,000 |
| Stock of materials on 31st Jan 2006 | 70,000 |
| Stock of finished goods on 31st Jan 2006 | 30,000 |

- As on date, cash received was Rs.2,40,000 being 80% of work certified. The value of materials remaining at site was Rs.10,000. Depreciate Plant by 10%. Prepare contract Account showing profit to be credited to P & L A/C.

15. In process A, 100 units of raw materials were introduced at a total cost of Rs.1000. The other expenditure, incurred by the process was Rs. 602. Of the units introduced 10% are normally lost in the course of manufacture and they possess a scrap value of Rs.3 each. The output of process 'A' was only 75 units. Prepare process 'A' Account and Abnormal loss account.
16. From the following particulars ascertain the amount of profit shown in profit and loss account by preparing necessary reconciliation account:
 - a) Profit shown as per cost books Rs.1,40,000

- b) Depreciation shown excess in cost books Rs.2,000
- c) Interest on investment received Rs.1,000
- d) Provision made for income Tax Rs.40,000
- e) Income received for share transfer Rs.150
- f) Factory overhead under recovered in cost books Rs.3,000
- g) Office expenses under recorded in financial books Rs.1,000

17. From the following particulars calculate

- a. Total material variance
- b. Material price variance
- c. Material usage variance

Materials	Standard		Actual	
	Units	Price	Units	Price
A	2,020	2	2,160	2.40
B	820	3	760	3.60
C	700	4	760	3.80

18. Distinguish between Financial Accounting and Cost Accounting.

19. Compare Process costing and Job costing.

Section C ($2 \times 15 = 30$) Marks

Answer any **TWO** questions

20. Product 'A' is obtained after it passes through three distinct processes. Prepare process accounts from the following;

	Total	Process I	Process II	Process III
Materials	15,084	5,200	3,960	5,924
Wages	18,000	4,000	6,000	8,000
Production overheads	18,000	-	-	-

1,000 units of materials @ Rs.6 per unit were introduced in Process I.

Production overhead is to be distributed at 100% on wages.

Process	Total output units	Normal loss	Value of scrap per units Rs.
I	950	5%	4
II	840	10%	8
III	750	15%	10

21. M/s Dakshith and Lakshith undertook a contract for Rs.2,50,000 for constructing a college building . The following is the information concerning the contract during the year 2017.

a)	Materials sent to site	Rs.85,349
b)	Labour engaged on site	Rs.74,375
c)	Plant installed at site at cost	Rs.15,000
d)	Direct expenditure	Rs.3,167
e)	Establishment charges	Rs.4,126
f)	Materials returned to stores	Rs.549
g)	Work certified	Rs.1,95,000
h)	Value of plant as on 31.12.2017	Rs.11,000
i)	Cost of work not yet certified	Rs.4,500
j)	Materials at site 31st Dec.2017	Rs.1,883
k)	Wages accrued 31st Dec.2017	Rs.2,400
l)	Direct expenditure accrued 31.12.17	Rs.240
m)	Cash received from contractee	Rs.1,80,000

Prepare contract account, contractee's account and show how the work-in-progress will appear in the Balance Sheet as on 31st Dec. 2017.

22. From the following figures prepare a reconciliation statement between cost and financial records.

a)	Net profit as per financial records	Rs.1,28,755
b)	Net profit as per costing records	Rs.1,72,400
c)	Works on overhead under-recovered in costing	Rs.3,120
d)	Administrative overhead recovered in excess	Rs.1,700
e)	Depreciation charged in financial records	Rs.11,200
f)	Depreciation recovered in costing	Rs.12,500
g)	Interest received but not included in costing	Rs.8,000
h)	Obsolescence loss charged in financial records	Rs.5,700
i)	Income tax provided in financial books	Rs.40,300
j)	Bank interest credited in financial books	Rs.750
k)	Stores adjustment (Credit in financial books)	Rs.475
l)	Depreciation of stock charged in financial books	Rs.6,750

23. From the following information of product no. 4691, calculate

- Material cost variance
- Material price variance
- Material usage variance
- Material mix variance
- Material sub usage variance

Materials	Standard		Actual	
	Kgs	Price	Kgs	Price
X	20	5	24	4.00
Y	16	4	14	4.50
Z	12	3	10	3.25
	48		48	