

**SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN  
(AUTONOMOUS)  
(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)  
Chromepet, Chennai — 600 044.  
M.Com.(CS) - END SEMESTER EXAMINATIONS APRIL - 2022  
SEMESTER - II  
21PMCET2001 - Applied Costing**

**Total Duration : 3 Hrs.**

**Total Marks : 60**

**Section A**

Answer any **SIX** questions ( $6 \times 5 = 30$  Marks)

1. Prepare a cost sheet from the following details:

<b>Particulars</b>	<b>Rs.</b>
Raw materials consumed	80,000
Wages	20,000

Works expenses are charged at 100% of wages. Office overhead is charged at 25% on work cost and selling overhead at 10% on works cost.

2. Distinguish between Cost Accounting and Financial Accounting.  
3. The following information is relating to contract No. 123.

<b>Particulars</b>	<b>Rs.</b>
Contract price	6,00,000
Wages	1,64,000
General expenses	8,600
Raw materials	1,20,000
Plant	20,000

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 10%. Prepare contract account.

4. Explain the merits and demerits of Job Costing.  
5. In process A, 100 units at Raw materials at a cost of Rs.1,000 were introduced. Other expenses were Rs.602. On the units introduced 10% are normally lost and sold as Rs.3 each as scrap. The output of 'A' was Rs.75 units. Prepare process 'A' a/c.  
6. Explain the classifications of By-Products accounting methods.  
7. Compute the Profit shown by Financial Accounts from the details given below:  
Costing profit: Rs.25,000.  
Losses and Expenses shown in Financial Accounts alone:  
Goodwill written off Rs.5,000; Preliminary expenses written off: Rs.9,000;  
Dividend paid Rs.6,000.  
Profits shown in the Financial Accounts alone :  
Income from Investments: Rs.12,000.

**Contd...**

8. Product 'A' required 10 kgs of materials at the rate of Rs.4 per kg. The actual consumption of material for the manufacturing of product 'A' came to 12 kgs. of materials at the rate of Rs.4.50 per kg. Calculate :
- Material cost variance
  - Material price variance
  - Material usage variance.

## Section B

### Part A

Answer any **TWO** questions ( $2 \times 10 = 20$  Marks)

9. The following data relate to the manufacturing of a standard product during the month of March 2006:

Raw materials purchased	Rs.20,000
Direct wages	Rs.12,000
Machine hours worked	1,000 hours
Machine hour rate	Rs.2 per hour
Office overhead	20% on works cost
Selling overhead	Re.0.40 per unit
Units produced	20,000 units
Units sold at Rs.3 each:	18,000 units

Prepare a cost sheet to show:

- |                                      |                   |                        |
|--------------------------------------|-------------------|------------------------|
| a.) Prime cost                       | b.) Works cost    | c.) Cost of production |
| d.) Cost of production of goods sold | e.) Cost of sales | f.) Profit             |

10. Distinguish between Job Costing and Contract Costing.

11. From the following particulars, compute material:

- Cost variance
- Price variance
- Usage variance

Quantity of materials purchased	3,000 units
Value of materials purchased	Rs.9,000
Standard quantity of materials required per tonne of output	30 units
Standard rate of materials	Rs.2.50 per unit
Opening stock of Raw materials	Nil
Closing of stock of Raw materials	500 units
Output for the period	80 tonnes.

**Contd...**

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

<b>Particulars</b>	<b>(Rs.)</b>
Net Profit as per financial records	1,28,755
Net Profit as per costing records	1,72,400
Works overhead under-recovered in costing	3,120
Administrative overhead recovered in excess	1,700
Depreciation charged in financial records	11,200
Depreciation recovered in costing	12,500
Interest received but not included in costing	8,000
Obsolescence loss charged in financial records	5,700
Income tax provided in financial books	40,300
Bank interest credited in financial books	750
Stores adjustment (Credit in financial books)	475
Depreciation of stock charged in financial books	6,750

**Part B**

Compulsory question (1 × 10 = 10 Marks)

13. A product passes through two processes 'A' and 'B' then to finished stock. It is found that each process is having 5% at loss at weight and 10% scrap which is realisable Rs.80 and Rs.200 per tonne respectively. The following particulars relate to two processes. A B Materials (in tonne) 1,000 70 Cost of material per tonne (Rs.) 125 200 Wages (Rs.) 28,000 10,000 Manufacturing expenses (Rs.) 8,000 5,250 Output in tonnes 830 780 Prepare process accounts.

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