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**D.K.M.COLLEGE FOR WOMEN (AUTONOMOUS), VELLORE-1**

**SEMESTER EXAMINATIONS**

 **APRIL - 2017 CCO6C**

 **COST ACCOUNTING ΙΙ**

**\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\***Time : 3 Hrs Max.Marks : 75

SECTION-A (10 x 2 =20)

 **Answer ALL the questions.**

1. What do you mean by Job Costing?
2. What is batch costing?
3. What is EBQ?
4. What do you understand by ‘Normal Process Loss’ and ‘Abnormal process Loss’?
5. What is meant by product?
6. What is the main difference between ‘variable cost’ and fixed cost’?
7. What is P/V ratio?
8. What is meant key factor?
9. Define standard costing?
10. What is meant by overhead variance?

SECTION-B (5 x 5 =25)

 **Answer any FIVE of the following questions.**

1. Distinguish between job costing and process costing?
2. From the following details, compute the overhead rate to be charged on the basis of the direct labour rate to job No.777 determine the cost of selling price.

|  |  |
| --- | --- |
| Material used | Rs. 4000 |
| Direct wages  | Rs. 3000 |
| Direct labour hours | 700 hours |
| Estimated factory overhead for the year | Rs. 1,05,000 |
| Gross profit ratio on sales is 25% |  |

1. Distinguish between job costing and Process costing?
2. A contractor has to supply 10,000 paper cones per day, for 320 days in a year. He finds that when he starts production he can produce 20,000 units a day. The cost of holding a paper cone one year is 2 paise and setup cost of a production run is Rs. 20. How frequently should production run be made?
3. A transport company is running 4 buses between two towns which are 50 kms apart. Seating capacity of each bus is 40 passengers. The following particulars were obtained from their books for April 2008.

|  |  |
| --- | --- |
|  | Rs. |
| Wages of drivers and conductors | 2,400 |
| Salaries to office staff | 1,000 |
| Diesel and other oils | 4,000 |
| Repairs and maintenances | 800 |
| Taxes and insurance | 1,600 |
| Depreciation  | 2,600 |
| Interest and other charges | 2,200 |

Actual passengers carried were 75% of the seating capacity. All the four buses run on all the

 days of the month. Each bus made one round trip per day. Find out the cost of Passenger k.m.

1. What are the advantages and disadvantages of marginal costing?
2. From the following information you are required to prepare Process Account.

|  |  |
| --- | --- |
|  | Rs. |
| Material consumed | 12,000 |
| Direct labour  | 14,000 |
| Manufacturing expensed | 4,000 |
| Input in process A(10,000 units) | 10,000 |
| Output (9,400 units) |  |
| Value of normal wastage Rs.8 per 100 units |  |

1. You are required to calculate (i) margin of safety (ii) sales (iii) variable cost from the following figures.

|  |  |
| --- | --- |
| Fixed cost  | Rs. 12,000 |
| Profit  | Rs. 1,000 |
| Breakeven sales | Rs. 60,000 |

SECTION-C (3 x 10 =30)

 **Answer ALL the questions.**

1. (a) What do you mean by work certified and incomplete contract? Explain how the profit are

 determined in the case of incomplete contract?

(Or)

(b) Distinguish between cost accounting and financial accounting.

1. (a) A Company of builders undertook a contract to construct a multi – storied structure for

 Rs. 20,00,000 , estimating the cost to be Rs.18,40,000. At the end of the year the company had

 received Rs. 7,20,000 estimating being 90% of work certified . work done, but not certified was

 Rs.20,000. The following expenses were incurred.

|  |  |
| --- | --- |
| Materials  |  Rs. 2,00,000 |
| Labour |  Rs. 5,00,000 |
| Plant |  Rs. 40, 000 |

 Materials costing Rs.10,000 were damaged. Plant is considered as having depreciated at 25%

 prepare contract Account and show how the profit that can be reasonably taken to profit and loss

 account.

(Or)

(b) Find out equivalent production assuming that there is no opening work - in - progress and no

 process loss:

 Input : 3800 units; Output 3000 units; Closing work- in- progress; 800 units.

|  |  |  |
| --- | --- | --- |
|  |  | Process cost |
| Degree of completion of closing W.I.P : | Material 80% | Material Rs. 7, 280 |
|  | Labour 70% | Labour Rs. 10, 680 |
|  | Overhead 70% | Overhead Rs. 7, 120 |
|  |  |  |

1. (a) Data relating to a job.

|  |  |
| --- | --- |
| Standard rate of wages per hour | Rs. 10 |
| Standard hours | 300 |
| Actual rate of wages per hour  | Rs. 12 |
| Actual hours | 200 |

 You are required to calculate.

 i) Labour Cost variance (ii) Labour Rate Variance (iii) Labour efficiency Variance.

(Or)

 (b) The sales turnover and profit during two years were as follows;

|  |  |  |
| --- | --- | --- |
| Year  |  SalesRs. |  Profit Rs. |
| 2006 | 1,40,000 | 15,000 |
| 2007 | 1,60,000 | 20,000 |

Calculate:

1. P/V Ratio.
2. Break – even point.
3. Sales required to earn a profit of Rs. 40,000.
4. Fixed expenses and
5. Profit when sales are Rs. 1,20 000.

**\* \* \* \* \* \* \***