Goa Vidyaprasarak Mandal's

GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND ECONOMICS, PONDA-GOA

B.COM. (SEMESTER – V) EXAMINATION (Old Course), AUGUST 2020

MAJOR 1 – METHODS OF COSTING

Duration:- 2 hours **Marks: 30**

Instructions: 1) Answer any five sub questions from Q. No I carrying 2 marks each.
2) Answer any four sub questions from Q. No II carrying 5 marks each.

Q I) Answer **any five** of the following questions:

a) State any four industries where job costing is used.

b) State any four industries where batch costing is used.

c) State any four industries where unit costing is used.

d) State any four industries where process costing is used.

e) An input of 10000 units of material is introduced into the process and normal loss expected is 8% and if the output from the process is 8600 units, what is the quantity of abnormal loss?

f) How is the amount of Notional Profit to be transferred to P & L A/c is calculated under contract costing based on the stages of completion of the contract? Give the formula.

g) A truck carries good to and from a city covering a distance of 40 kms each way. While going to the city freight is available to the extent of full capacity of 5 tonnes and on return freight is available for 50% of capacity. Assuming the truck runs on an average 25 days a month. Calculate tonne – kms for the month.

h) Under Batch Costing, how economic batch quantity is determined? State the formula.

Q II) Answer **any four** of the following questions:

A. Prepare Process Accounts only (Norma / Abnormal Loss / Gain not to be prepared) from the following data:

	Process A	**Process B**
Direct Labour	₹ 90200/-	₹ 54720/-
Mfg. Expenses	₹ 42000/-	₹ 28800/-

2000 units are introduced in Process A at cost of ₹ 10/- per unit. The output of each process is Process A: 1800 units, Process B: 1620 units.
Normal wastage of the two processes is 5% and 10% respectively. the scrap is saleable at ₹ 2/- and ₹ 4/- respectively.

B. You are required to prepare quotation for job no. 288 after adding 20% profit to the total job cost and give the final selling price on the basis of the following cost data:

Direct Materials ₹ 20000/-
Direct Wages ₹ 40000/-
Factory Overheads - 60% of wages
Office Overheads - 20% of factory cost

contd...2/-

C. Two products P and Q are obtained in a crude form and require further processing at a cost of ₹ 24/- and ₹ 20/- per unit respectively before sale. Assuming a net margin of 20% on selling price, their sale prices are fixed at ₹ 80/- and ₹ 50/- respectively. During the period joint cost was ₹ 5,20,000/- and output was P: 10000 units and Q: 6000 units. Ascertain joint cost per unit of each product using reserve cost method.

D. M/S XYZ & Co. Is engaged on a contract, the particulars of which for the year ending 31/3/2020 are given below:

Date of Commencement	:	1/4/2019
Contract Price	:	₹ 60,00,000/-
Materials Issued	:	₹ 15,00,000/-
Materials at site on 31/3/2020	:	₹ 2,20,000/-
Direct Labour	:	₹ 15,00,000/-
Site Expenses	:	₹ 6,60,000/-
Establishment expenses	:	₹ 2,50,000/-
Plant installed at site	:	₹ 8,00,000/-
Value of Plant at site on 31/2/2020	:	₹ 6,50,000/-
Work Certified	:	₹ 45,00,000/-
Work Uncertified	:	₹ 2,30,000/-
Cash received from contractee	:	80% of work certified

Prepare Contract account for the year ended 31/3/2020.

A. Write a short note on Equivalent Production.

B. Write a short note on operating costing (Transport Costing).

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