



VED - 17

**B.Com. (Semester – V) Examination, October 2012**  
**Major 2 : COST AND MANAGEMENT ACCOUNTING**  
**Methods and Techniques of Costing – I**

Duration : 2 Hours

Total Marks : 80

- Instructions :**
- 1) Question No. 1 is compulsory.
  - 2) Answer any 3 questions from Q. 2 to Q. 6.
  - 3) All questions carry equal marks.
  - 4) Give wkg. notes wherever necessary.

1. Amar Builder's under took a work for Rs. 4,50,000 on 1-7-2011. Of the machinery's and materials charged for contract, machinery worth Rs. 5,000 and materials Rs. 4,000 were loss in accident.

On 30<sup>th</sup> June 2012, machinery worth Rs. 5,000 was returned to stores. Uncertified work was Rs. 2,000 and closing stock of materials were Rs. 4,000. Provided 10% Depreciation on machinery. Prepare Contract Account and Balance Sheet from the following :

Particulars	Debits (Rs.)	Credit (Rs.)	
Share capital	–	1,20,000	
Creditors	–	10,000	
Cash received (Being 80% of work certified)	–	2,00,000	
Land and Building	43,000	–	
Bank Balance	25,000	–	
<b>Charged to contract :</b>			
Materials	90,000		
Wages	1,40,000		
Machineries	25,000		
General expenses	7,000		
	<b>3,30,000</b>	<b>3,30,000</b>	<b>20</b>

P.T.O.



2. Mr. Ashok is owner of a Mini-bus. He gives you the following data to find out cost per running K.M.

Cost of the bus	Rs.12,00,000	
Road licence Fee	Rs.15,000 P.A.	
Salary of a Supervisor	Rs.10,000 P.M.	
Garage rent	Rs.11,000 P.A.	
Annual insurance	Rs.10,000	
Drivers wages	Rs.100 per hour	
Cost of Diesel	Rs. 45 per litre	
Cost of Tyre	Rs. 3 per K.M.	
Maintenance Exp.	Rs. 2,000 P.M.	
Kms run per litre	6	
Annual Kms	30,000	
Estimated life of the bus 1,20,000 Kms. The bus covers 20 Kms per hour.		20

3. The following is the data related to budgeted production of 8000 units. 20

Particulars	CPU (Rs.)
Materials	50
Wages	30
Direct expenses (variable)	10
Factory over head (Fixed)	2,50,000
Office over head (Fixed)	05
Selling over head (40% fixed)	10
Distribution overhead (60% variable)	15

Prepare a flexible budget for O/P of 4,000 and 6,000 units, showing CPU is each case and total cost also.





4 A) From the given data prepare a cash Budget for the 3 months ending 30<sup>th</sup> Spt. 2012 :

Month	Sales	Materials	Wages	Overheads
	Rs.	Rs.	Rs.	Rs.
May	14,000	9,600	5,000	3,000
June	15,000	9,000	6,000	2,000
July	16,000	9,200	7,000	1,000
August	17,000	10,000	3,000	2,000
Spt.	18,000	10,400	4,000	1,000

**Additional data :**

- 1) 40% sales are on cash.
  - 2) 60% credit sales to be collected next month.
  - 3) Creditors – Materials – 2 months.  
Wages and overheads – 1 month each.
  - 4) EMI of P and M Rs.5,000 P.M. starting from July.
  - 5) Dividend at 5% on pre share capital of Rs. 2,00,000 will be paid on Spt., 1<sup>st</sup>.
  - 6) Advance to be received for sale of old vehicles Rs. 10,000 in July.
  - 7) Dividend to be received Rs. 5,000 during August and Spt. month respectively.
  - 8) Advance Income-tax due in July Rs. 4,000 only
  - 9) Expected cash and Bank Balance on 1<sup>st</sup> July 2012 – Rs. 15,000. 15
- B) Write in short about contents of contract agreement. 5

3,30,000                      3,30,000                      20



2. Mr. Ashok is owner of a firm. He has given the following data for the year 2012:
5. A) Write the scope of Management Accounting.
- B) Main product "A" yields two by products B and C. The total joint expense was Rs. 20,600. Subsequent expenses were. A – Rs. 1,000, B – Rs. – 770 and C – Rs. 630 Ascertain share of "A" in joint expense. When B was sold for Rs. 10,000 and C for Rs. 5,000 with a profit of 25% and 20% respectively.

(10×2=20)

6. Write short notes on **any four** :

- 1) Job order costing.
- 2) Batch costing.
- 3) Functions of Management Accounting.
- 4) Master Budget.
- 5) Power house costing.
- 6) Profit calculation on in-completed contract work.

(5×4=20)