**St. Aloysius College, Edathua**

**B.Com Degree Internal Examination, Feb 2019**

**Sixth Semester-Core Course 15**

**APPLIED COST ACCOUNTING**

**Time-1.30Hrs**  **Max.Marks-40**

**Part A**

**Answer all questions. Each question carries 1 mark**

1. What is cost plus contract?

2. What is joint products?

3. What is Marginal costing?

4. What is escalation clause?

5. What is batch costing? (5x1=5)

**Part B**

**Answer any four questions .Each question carries 2 marks**

6. Explain the term work certified and work uncertified.

7. Explain the features of job costing.

8. You are given the following data:-

 Fixed cost-Rs.20,000, Variable cost-Rs.20,000 , Sales Rs.100,000.

 Calculate P/V ratio, BEP and margin of safety.

9. From the following information, determine economic batch quantity:-

Annual requirements 1600units, Cost of materials per unit Rs.40, Cost of placing and receiving one order Rs.50, Annual carrying cost of inventory 10% of inventory value.

10. From the following information, prepare a process account 1,000 units at Rs.40 per unit were introduced in Process I:

 Labour cost –Rs.5000, Material Rs.20,000, Production overhead Rs.3,500. The normal process loss has been estimated at 10% of the input which can be sold at Rs.10 per unit. Actual production was 920 units.

11. In a trading concern, there was an increase in profit from Rs.10,000 to Rs.16,000 when sales increased by Rs.50,000. The fixed expenses were Rs.24,000. Find out break even point. (4x2=8)

**Part C**

**Answer any three questions. Each question carries 4 marks**

12. Make a note on application of costing methods in business decision making.

13. Write short notes on: a) Margin of safety; and b) Economic batch quantity

14. From the following data,calculate:

a)PV ratio ; b)Break-even point and c)Profit when sales are Rs.35,000 , Sales Rs.30,000 , Variable cost Rs.18,000 , Profit Rs.3,000.

15. The following particulars are taken from the books of a factory working at 60% of its capacity.

 **Rs.**

 Variable expenses 3,00,000

 Semi variable expenses(50% Fixed) 1,25,000

 Fixed expenses 2,50,000

 Prepare a budget for 75% of its capacity.

16. The following was the expenditure on a contract for Rs.6,00,000 commenced in January 2015-

Materials Rs.1,20,000

Wages Rs.1,64,400

Plant Rs.20,000

Business charges Rs.8,600

 Cash received on account to 31st December 2015 amounted to Rs.2,40,000 being 80% of work certified; the value of materials in hand at 31st December 2015 was Rs.10,000. Prepare the Contract account for 2015 showing the profit to be credited to the year’s Profit and Loss account. Plant is to be depreciated at 10%.

 (3x4=12)

**Part D**

**Answer any one question. Each question carries 15 marks**

17. Prepare necessary accounts from the following details-

**Particulars Process1 (Rs.) Process II(Rs.)**

Materials 30,000 3000

Labour 10,000 12,000

Overheads 7,000 8,600

Input (Units) 20,000 \_

Transfer from Process I (Units) \_ 17,500

Normal loss 10% 4%

Sales value of wastage per unit 1 2

 There was no opening or closing stock or work in progress. The final output from Process II was 17,000 units.

18. With the following data for a 50% capacity , prepare a budget at 75% and 100% activity

 Production at 50% capacity 500 units

 Materials Rs.100 per unit

 Labour Rs.50 per unit

 Expenses Rs.10 per unit

 Factory expenses Rs.50,000(40% fixed)

 Administrative expenses Rs.40,000(50% fixed)

 Expected profit 20% on sales (1x15=15)