III Semester B.Com. Examination, March 2023
(2021 – 22 and Onwards)
(CBCS) (Repeaters)
COMMERCE
3.5 : Elements of Costing

Time : 3 Hours

Max. Marks : 70

Instructions : Answer should be written **completely** in **English** or **Kannada**.

SECTION – A

1. Answer **any five** sub-questions. **Each** sub-question carries **2** marks. (5×2=10)

   a) Define cost accounting.

   b) Define overhead.

   c) Give the meaning of materials.

   d) Write any two differences between cost accounting and financial accounting.

   e) What is bincard ?

   f) What is semi-fixed cost ?

   g) What is reconciliation statement ?

SECTION – B

Answer **any three** questions. **Each** question carries **five** marks. (3×5=15)

2. From the following figures prepare a cost sheet showing the cost per unit and profit for the period :

   Raw material consumed Rs. 64,000

   Direct wages Rs. 38,400

   Factory overhead Rs. 12,800

   Office overhead 5% of factory cost

   Selling overhead Rs. 1.75 per unit

   Units produced 2,500, Units sold 2,250 at Rs. 35 each.

3. From the following information, calculate economic order quantity and calculate number of orders to be placed in a year.

   a) Quarterly consumption of materials 4000 units

   b) Cost of placing one order ₹ 100

   c) Cost per unit Rs. 80

   d) Storage and carrying cost 8% of inventory.

4. Prepare a stores ledger under Weighted Average Method.

Date	Receipts units	Rate per unit	Issues Units
1-4-22	19100	28	–
10-4-22	–	–	14000
12-4-22	11000	35	–
18-4-22	22000	42	–
22-4-22	–	–	12500
30-4-22	–	–	10200

5. Standard time allowed to complete a job is 100 hours. Hourly rate is Rs. 40, worker 'A' complete the job in 80 hours and 'B' completes in 120 hours. Calculate the earning of the workers under Halsey and Rowan plans.

6. Compute machine hour rate from the following details :

   Cost of machine Rs. 2,16,000

   Installation charge Rs. 24,000

   Life of machine 5 years

   Working hours 1000 hours

   Repair charges 25% of depreciation

   Power 05 units per hour at 10 paise per unit

   Oil (lubricating) Rs. 4 per day of 4 hours

   Consumable stores Rs. 20 per day

   Operator wages Rs. 8 per day.

SECTION – C

Answer **any three** questions. **Each** question carries **12** marks.   (3×12=36)

7. The following data are obtained from ABC Co. Ltd. for the year 2022.

	₹
Stock of material on 1-1-22	35,000
Stock of material on 31-12-2022	5,000
Purchase of materials	50,000
Wages	1,00,000
Factory overheads	20,000
Administration overheads	20,000
Closing stock of finished goods	20,000
Sales	2,50,000

Production during 2022 5000 units

The company wants to quote for a contract for the supply of 1000 units during the year 2023. The cost of material is expected to increase by 15% and wages by 10%. Prepare a statement of cost for the year 2022 and a tender statement for 2023 showing the price to be quoted per unit, if the same percentage of profit is maintained as in the previous year. Estimate as per 2022 overhead expenses per unit continued.

8. The following details are obtained from the books of XYZ Co. Ltd. for the month of April 2022. Stock on 1st April 2022, 10500 units at Rs. 56 per unit.

Date	Particulars
April 2022	
03	Purchased 11,200 units at Rs. 53.2 per unit
04	Purchased 9,100 units at Rs. 58.8 per unit
06	Issued 9,500 units
10	Issued 4,960 units
11	Purchased 14,000 units at Rs. 63 per unit
13	Issued 12,040 units
17	Issued 3,430 units

22	Issued 10,570 units
25	Purchased 28,000 units at Rs. 67.2 per unit
27	Purchased 21,000 units at Rs. 70 per unit
30	Issued 36,750 units.

Stock taking was conducted on 30th April 2022 which revealed that there was a shortage of 420 units. Prepare a store ledger under LIFO method.

9. From the following information for the year ending 31st December 2022, the company request you to apportion the expenses to various departments on an equitable basis and reapportion the service department costs to production departments as given below. Service department X to production departments in the ratio of 3 : 2 : 1 and service departments Y to production departments in the ratio of 4 : 3 : 2.

Particulars	Production Departments			Service Departments	
	A	B	C	X	Y
Direct wages (₹)	7,000	6,000	5,000	1,000	1,000
Direct materials (₹)	3,000	2,500	2,000	1,500	1,000
Number of employees	200	150	150	50	50
Electricity (KW)	8,000	6,000	6,000	2,000	3,000
Number of light points	10	15	15	5	5
Assets value (₹)	50,000	30,000	20,000	10,000	10,000
Area (sq. ft.)	800	600	600	600	200

The expenses were as follows :

	Rs.
Stores overhead	4,000
Motive power	1,500
Labour welfare	3,000
Depreciation	3,000
Rent and taxes	6,000
Repair and maintenance	12,000
Electric light	2,000
General overhead	10,000

10. Overhead costs of service department before distribution of production department costs are as follows :

Departments	Production Departments			Service Departments	
	A	B	C	D	E
Amount (₹)	7,550	7,200	9,650	4,625	1,575

The costs of service departments D and E are to be charged on the basis of following percentages :

	A	B	C	D	E
D	20%	30%	40%	–	10%
E	40%	20%	30%	10%	–

Find the total overheads of production departments by using the following methods :

a) Simultaneous equation method

b) Repeated distribution method.

11. From the following, prepare a Reconciliation Statement, calculate profit as per financial accounts.

		₹
a)	Net profit as per costing records	1,72,400
b)	Works overhead under recovered in costing	3,120
c)	Administrative overhead recovered in excess	1,700
d)	Depreciation charged in financial records	11,000
e)	Interest received but not included in costing	8,000
f)	Income tax provided in financial books	40,300
g)	Bank interest credited in financial books	750
h)	Store adjustment credited in financial books	475
i)	Depreciation of stock charged in financial books	6,750
j)	Depreciation recovered in costing	12,300

SECTION – D

Answer the following **compulsory** question. (1×9=9)

12. Prepare Reconciliation Statement with imaginary figures.

OR

Draft the specimen of any two documents used in material account.