****

Register Number:

DATE: 28-02-2022

**ST. JOSEPH’S COLLEGE (AUTONOMOUS), BANGALORE-27**

**BCOM – V SEMESTER**

**SEMESTER EXAMINATION: OCTOBER 2021**

**(Exam conducted in February-March 2022)**

**BC 5118/BPS 5118: Cost Accounting II**

Time- 2 ½ hrs Max Marks-70

**This paper contains 2 printed pages and four parts**

**Section A**

I Answer ***any five*** of the following (**2 x 5 = 10 marks)**

1. State any four methods of costing
2. What is retention money?
3. Distinguish between job and batch costing
4. Write a note on ‘Abnormal Gain’
5. What is passenger kilometre?
6. What is cost volume profit analysis?

**Section B**

II Answer ***any three*** of the following (**5 x 3 = 15 marks)**

1. Clarify the limitations of cost accounting
2. Calculate Economic Batch Quantity for a product using batch costing from the following details:

Annual demand for the product = 4,000 units

Set up cost per batch = Rs 10

Cost of carrying inventory per unit = Re 1

1. Fifty units are introduced into a process at a cost of Rs. 50. The total additional expenditure incurred by the process is Rs. 30. Of the units introduced 10 per cent are normally spoilt in the course of manufacture; these possess a scrap value of Re. 0.20 each. Owing to an accident only 40 units are produced. You are required to prepare a process account
2. A) The following data of a company are available

|  |  |  |
| --- | --- | --- |
| Particulars | 2015 (Rs) | 2016 (Rs) |
| Sales | 1,50,000 | 1,70,000 |
| Profit | 20,000 | 25,000 |

Calculate profit volume ratio.

B) Calculate margin of safety from the following data:

Break-even sales – Rs 1,50,000

Actual sales – Rs 1,20,000

**Section C**

III Answer ***any two*** of the following (**15 x 2 = 30 marks)**

1. What is cost accounting? Elucidate its objectives.
2. A product passes through three processes A, B and C. The normal wastage of each process is as follows: Process A – 3 per cent, Process B – 5 per cent, and Process C – 8 per cent. Wastage of Process A was sold at 25p. per unit, that of Process B at 50 p. per unit and that of Process C at Rs. 1 per unit. 10,000 units were issued to Process A in the beginning of October 2005 at a cost of Rs. 1 per unit. The other expenses were as follows:

*Process A Process B Process C*

Sundry materials Rs. 1,000 Rs. 1,500 Rs.500

Labour Rs. 5,000 Rs. 8,000 Rs.6,500

Direct expenses Rs. 1,050 Rs. 1,188 Rs. 2,009

Actual output 9,500 units 9,100 units 8,100 units

Prepare the Process Accounts, assuming that there was no opening or closing stocks. Also give the Abnormal Wastage and Abnormal Gain Accounts.

1. You are given the following data:

Fixed cost Rs 40,000

Variable cost Rs 2 per unit

Selling price Rs 10 per unit

Calculate:

a) Break-even point

b) Profit when sales are:

1) Rs 1,00,000

2) Rs 80,000

c) Sales, when it is desired to earn a profit of Rs 30,000

**Section D**

**IV. Answer the following (15 marks)**

1. ‘Elite’ Transport company is running a fleet of 6 buses between 2 towns 75 KMs apart. The seating capacity of each bus is 40 passengers. The following particulars are available for the month of April 2005:

|  |  |
| --- | --- |
| Particulars | Rs |
| Wages of drivers | 3,600 |
| Salaries of office and supervisory staff | 1,500 |
| Diesel, oil | 10,320 |
| Repairs and maintenance | 1,200 |
| Taxes and insurance | 2,400 |
| Depreciation | 3,900 |
| Interest and other charges | 3,000 |

The actual passengers carried were 80% of the capacity. All the buses run all the days in the month. Each bus made one round trip per day. Find out the cost per passenger KM.