

TILAK MAHARASHTRA VIDYAPEETH, PUNE
BACHELOR OF COMMERCE(B.COM)
EXAMINATION – MAY - 2025
FOURTH SEMESTER
Sub.: Methods of Costing (BCOM23-405C)

Date: 23/05/2025

Total Marks: 60

Time: 2.00 pm to 4.30pm

Instructions: 1) All questions are compulsory. 2) Figures to the right indicate full marks.

Q.1 a) Fill in the blanks (Any 5) (05)

1. Inventory control is the core of ----- management
 - a) Material
 - b) Expenses
 - c) Labour
 - d) None of the above
2. The expenses which do not vary with volume of production are known as -----
 - a) Variable overhead
 - b) Fixed overhead
 - c) Semi variable overhead
 - d) None of the above
3. Cost are collected at the end of an ----- period
 - a) Accounting
 - b) financial
 - c) Costing
 - d) previous
4. The method of costing applied in steel industries is ----- costing
 - a) Process
 - b) contract
 - c) Operating
 - d) Job
5. Overhead cost is the aggregate of indirect material cost, indirect wages and -----
 - a) Variable cost
 - b) Fixed cost
 - c) Indirect expenses
 - d) Semi variable cost
6. The purpose of ----- is to bring together all the costs incurred for completing a job
 - a) Operating costing
 - b) Job costing
 - c) Process costing
 - d) Contract costing
7. ----- is the function of receiving material, storing them and issuing these to workshop
 - a) Purchase
 - b) Storekeeping
 - c) Sales
 - d) None of the above

b) State whether the following statement are true or false (any 5) (05)

1. The accounting treatment of by-products necessitates knowledge of technological factors
2. Contract costing is a form of job costing
3. Joint products are produces at the end process.
4. Administration overheads are mainly variable in nature.

5. Variable overheads remain constant per unit.
6. Over absorption of overheads is caused due to idle capacity.
7. Fixed cost in total remain constant

Q. 2 a) Tranity ltd has three production department A, B, C and two D, E service departments. **(20)**
Following figures are extracted from the records of the company

Particulars	Amount
Rent and Taxes	20,000
Indirect Wages	6,000
Depreciation of machinery	40,000
General Lighting	2,400
Power	6,000
Sundries	40,000

Additional information:

Particulars	Total	A	B	C	D	E
Floor Space (Sq Ft.)	20,000	4,000	5000	6,000	4,000	1,000
Light Points	120	20	30	40	20	10
Direct Wages (Rs.)	20,000	6,000	4,000	6,000	3,000	1,000
Horse Power of Machines	300	120	60	100	20	—
Value of Machines (Rs.)	5, 00,000	1, 20,000	1, 60,000	2, 00,000	10,000	10,000

You are required to apportion the costs to various departments on the most equitable basis by preparing a primary distribution summary.

Or

b) What do you mean by overhead? Explain the different methods of classification of overhead

Q. 3 a) Material Y is used in a company as follows: **(10)**

Maximum usage per months	750 units
Minimum usage per month	450 units
Normal usage per month	550 units
Re-order quantity	1900 units
Re-order period 2 to 4 months	

Calculate:

- a) Maximum Level
- b) Minimum Level
- c) Re-order Level
- d) Average stock Level

b) Write short notes. (Any 2)

(05)

1. Importance of Cost Unit
2. Specimen of Operating Cost Sheet
3. Contract Costing
4. Specimen of job cost card

Q. 4 a) From the following data relating to a good transport company Tata Transport calculate the cost per tone-km. **(15)**

Particulars	Amount
Drivers salary	20,000
Garage mechanic salary	10,000
Manager salary	30,000
Garage rent	6,000
Accountant's salary	24,000
Insurance premium	4,000
Cleaners salary	2, 40,000
Administration overhead	10,000
Depreciation	50,000
Road tax and permit fee	2,000
Interest	12,000
Petrol and diesel consumed	10,000
Tyres and tubes	8,000
Lubrication and sundries	2,000
Spares	4,000
Repairs and maintenance	6,000
Hire charges	4,000

The trucks ran 1,000 km during the year ended 31st march 2025, and the quantity of goods carried is 100 tones.

OR

b) Define an explain process costing. Discuss its main features with suitable examples.
