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BACHELOR OF COMMERCE(B.COM)
EXAMINATION – DECEMBER - 2025
FOURTH SEMESTER
Sub.: Methods of Costing (BCOM23-405C)

Date: 30/12/2025

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. Overhead cost is the aggregate of Indirect material cost, indirect wages and -----.
a) Variable cost
b) Fixed cost
c) Indirect expenses
d) None of this
2. In hotel Industry cost unit is _____.
a) per passenger
b) per room
c) per kilolitres
d) None of these
3. The purpose of ----- is to bring together all costs incurred for completing a job
a) Job costing
b) Process costing
c) Operating costing
d) None of this
4. The salary of supervisor's & other staff, who spent their whole time attention to a contract, should be charged to ----- a/c.
a) Contract a/c
b) Trading a/c
c) Profit & loss a/c
d) Process a/c
5. ----- is the function of receiving materials, storing them & issuing these to work shop or departments.
a) Recording
b) Book- keeping
c) Store keeping
d) None of this
6. The materials which can be easily identified & attributable to the individual units being manufactured are known as -----.
a) Indirect material
b) Expenses
c) Direct material
d) Closing stock
7. The method of costing applied in steel industries is ----- costing
a) Process costing
b) Contract costing
c) Operating costing
d) Target costing

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

1. At the end of the accounting period, the stock is valued and credited to the contract a/c.
2. The process costing is used by the firms engaged in the manufacture of products on continuous basis.
3. Operating costing is used in service industries.

4. In decentralized purchasing, each department or branch makes its own purchase.
5. Abnormal process loss is transferred to costing P&L a/c.
6. All overhead are the cost, but all cost are not the overhead.
7. Contract costing is of short duration.

Q. 2 a) Super class Co. Ltd. has three production departments X,Y,Z and two service departments A and B. the following estimated figures for a certain period have been made available: **(20)**

Particulars	Amount
Rent and rates	10,000
Lighting and electricity	1,200
Indirect wages	3,000
Power	3,000
Depreciation on machinery	20,000
Other expenses and sundries	20,000

Additional information:

Particulars	X	Y	Z	A	B
Flooring space (sq. mts.)	2,000	2,500	3,000	2,000	500
Light points (nos)	20	30	40	20	10
Direct wages	6,000	4,000	6,000	3,000	1,000
Horse power of machines	120	60	100	20	---
Cost of machinery	24,000	32,000	40,000	2,000	2,000

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

Or

- b)** Explain the meaning of overhead absorption and methods of overhead absorption.

Q. 3 a) Material X and Y are used as follows: **(10)**

Minimum usage -50 units each per week
 Maximum usage – 150 units each per week
 Normal usage – 100 units each per week
 Ordering quantities X = 600 units Y = 1000 units
 Delivery period X = 4-6 weeks Y = 2-4 weeks

Calculate for each material Maximum level Minimum level Ordering level

b) Write short notes. (Any 2) **(05)**

1. Features of service costing
2. Objectives of inventory control
3. Behavior wise classification of cost
4. EOQ

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

Particulars	Amount
Drivers salary	10,000
Garage mechanic salary	5,000
Manager salary	15,000
Garage rent	3,000

Accountant's salary	12,000
Insurance premium	2,000
Cleaners salary	1, 20,000
Administration overhead	5,000
Depreciation	25,000
Road tax and permit fee	1,000
Interest	6,000
Petrol and diesel consumed	5,000
Tyres and tubes	4,000
Lubrication and sundries	1,000
Spares	2,000
Repairs and maintenance	3,000
Hire charges	2,000

The trucks ran 1,000 km during the year ended 31st march 2016, and the quantity of goods carried is 100 tones.

OR

- b)** What is operating costing? What are its characteristics? How does it differ from all other methods of costing?
