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BACHELOR OF COMMERCE(B.COM)
EXAMINATION – DECEMBER - 2025
FIFTH SEMESTER
Sub.: Techniques of Costing (BCOM23-504C)

Date: 19/12/2025

Total Marks: 60

Time: 10.00 am to 12.30 pm

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. The cost which remains fixed irrespective of level output is known as.....
 - a) Fixed Cost
 - b) Variable Cost
 - c) Semi Variable Cost
 - d) None of them
2. per unit is difference between the selling price of a unit of product or service and its marginal cost.
 - a) Contribution
 - b) Profit Volume Ratio
 - c) Break Even Point
 - d) Margin of Safety
3. A is plan for some specific future period.
 - a) Standard Cost
 - b) Budgeting
 - c) Budget
 - d) None of them
4. The objective of is to secure for optimum working capital.
 - a) Flexible Budget
 - b) Cash Budget
 - c) Zero Based Budgeting
 - d) None of Them
5. ----- is a part of comprehensive strategic profit management system
 - a) Target costing
 - b) Standard costing
 - c) Marginal costing
 - d) Process costing
6. Sales - ----- = contribution
 - a) Fixed cost
 - b) Net profit
 - c) Marginal cost
 - d) Gross profit
7. ----- are predetermined cost of a product under present or a anticipated future condition.
 - a) Standard cost
 - b) Historical cost
 - c) Present cost
 - d) None of the above

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

1. Marginal costing is also known as direct costing and variable costing.
2. Uniform costing serves as a basis of competitive but non-destructive bidding.
3. Before conducting cost audit, the auditor should have broad idea of the cost structure of the industry.
4. A budgetary control system serves the basic purposes namely planning, co-ordination and control.
5. Fixed costs are controllable in nature in shorter run.
6. Actual costs have no role to play in a standard costing system.
7. Contribution is referred as Gross margin.

Q.2 a) Prepare a cash budget for the months of March, April, and May 2025 on the basis of the following information: (20)

Income and expenditure forecasts:

Months 2025	Credit sales	Credit Purchases	Wages	Manuf. Expenses	Office expenses	Selling expenses
January	50,000	30,000	7,000	3,000	1,000	2,000
February	55,000	32,000	6,000	2,000	1,500	2,500
March	57,000	28,000	8,000	3,000	2,000	2,500
April	52,000	27,000	7,000	2,500	1,500	2,000
May	48,000	29,000	6,500	3,500	1,000	3,000
June	50,000	28,000	6,000	2,000	1,500	3,500

Additional information:

- 1) Opening balance as on 1st March, 2025 Rs- 6000
- 2) Credit allowed by suppliers is 2 months.
- 3) Credit allowed to customers is 1 months.
- 4) Lag in the payment of manufacturing expenses is ½ months.
- 5) Wages are paid in the same month.
- 6) Lag in the payment of office and selling expenses is 1 months.

Or

- b) Define cost Audit. Explain types of cost Audit.

- Q. 3 a)** Following are the details of Ishan Ltd. You are required to prepare production budget for 6 months ending on 31st March 2024 for a factory producing four products from the following information. (10)

Product	Estimated stock on 30 th September 2023 (in units)	Estimated sales during September 2023 to march 2024 (in units)	Desired closing stock on 31 st march 2024 (in units)
P	3500	12500	4500
Q	4500	16500	5500
R	5000	20000	4000
S	6500	23500	3500

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

1. Production budget
2. Uniform cost manual
3. Types of cost audit
4. Objectives of budgetary control

- Q. 4 a)** The sales turnover and total cost of Shriram Chemical Ltd. are as under: (15)

Year	Sales (Rs)	Total cost (Rs)
2024	3, 00,000	2, 40,000
2025	3, 60,000	1, 20,000

You are required to calculate:-

- 1) P/V ratio
- 2) Fixed cost
- 3) Break- even point
- 4) Sales to earn a profit of Rs- 90,000
- 5) Variable cost for 2025

OR

- b) Explain the concept of cost audit and objectives of cost audit in detail.