

BACHELOR OF COMMERCE(B.COM)

Sub.: Methods of Costing (BCOM23-405C/BCOM24-405C)

Total Marks: 60

Time: 2.00 pm to 4.30 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 materials which can be easily identified and attributable to the individual units being manufactured are known as -----.
a) Indirect material
b) Finished goods
c) Direct material
d) Material consumed
2. Delivery van expenses are an example of ----- overhead.
a) Distribution
b) Factory
c) Office
d) None of the above
3. A cost unit is a ----- unit of product or service.
a) Qualitative
b) Quantitative
c) Expensive
d) Operating
4. Costs are collected at the end of an ----- period
a) Accounting
b) Costing
c) Financial
d) None of this
5. Ton- kilometer is the cost unit used in ----- costing
a) Operating costing
b) Contract costing
c) Process costing
d) None of this
6. In oil & petroleum refineries ----- costing may be adopted more suitably
a) Process
b) Operating
c) Target
d) Contract
7. The expenses which do not vary with volume of production are known as-----
a) Variable overhead
b) Semi-variable overhead
c) Fixed overhead
d) Direct overhead

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

(05)

1. Ordering Quantity is the quantity that is ordered.
2. Materials should be received, unloaded, inspected and then moved to stores.
3. Operating costing is more suitable for manufacturing industries.
4. There is no difference between process costing and operation costing.
5. Hiring of special machinery, subcontracting are direct expenses.

7. Contract costing is of short duration.

Q.2 a) Hindustan Company Ltd. Has three production department and two service department. The Estimated figures for a certain period are as follows. **(20)**

Particulars	Amount
Lighting and electricity	20,000
Rent, rates, and taxes	1,00,000
Power	10,000
Wages of Store Staff	20,000
Depreciation of Machinery	30,000
Insurance Premium	20,000
TOTAL	2,00,000

Further details:-

Particulars	Production Department			Service Department	
	X	Y	Z	S1	S2
Wattage	5,000	2,000	1,000	1,000	1,000
Floor area (sq.ft.)	20,000	10,000	10,000	5,000	5,000
Horse power of machine	2,000	1,000	1,200	800	-
Capital value of machine	1,00,000	80,000	60,000	40,000	20,000
Capital value of fixed assets	1,20,000	1,00,000	80,000	60,000	40,000
No. of employees	120	80	66	-	-
Value of materials used	12,000	10,000	8,000	6,000	-

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

Or

- b) Define Overheads. State and explain classification of overheads.**

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 = 1,000 units
Delivery Period X = 4 to 6 Weeks
Y = 2 to 4 weeks

You are required to calculate

- 1) Re-order quantity
- 2) Re-order level
- 3) Minimum level
- 4) Maximum level
- 5) Average stock level.

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

1. Specimen of Cost Statement of Canteen
2. EOQ (Economic Order Quantity)

3. Specimen of Production order
4. Specimen of job cost card

Q. 4 a) What do you mean by Job costing? Explain its procedure step by step.

(15)

OR

- b)** The following data relates to a transport company Raj travels for June. You are required to calculate the cost per passenger- km.

Particulars	Amount
Manager's salary	25,000
Driver's salary	9,000
Cleaner's wages	3,000
Garage mechanic's salary	5,000
Garage rent	3,000
Insurance premium	2,600
Road tax and permit fee	1,400
Depreciation	6,000
Diesel	7,000
Lubricating oil and sundries	1,000
Spares	750
Tyres and tubes	4,250

The company runs two buses and each of them can accommodates 50 passengers. The buses run between two town, and the distance between them is 200 km. the number of days on which the buses had run during the month is 30 and each bus made one round trip daily. On an average, the seating capacity utilized was 75 per cent.
