

**GOVERNMENT COMMERCE COLLEGE, VADALI**  
**INTERNAL EXAMINATION-FEBRUARY-MARCH-2024**  
**SUBJECT: COST ACCOUNTING – II (SUBJECT CODE: CE 203A)**  
**B.COM. – IV**

DATE:04/03/2024

TIME: 9:30 TO 09:50

DAY : MONDAY

**TOTAL MARKS : 10****SECTION-A****Instructions:** (1) Write any 10 MCQs. (2) Each MCQ carry 1 Mark each.

(1) From the Following information, find out Total Passenger Kilometers Per month.

<b>Kilometer</b>	5	10	15	20	25
<b>Passenger</b>	15,000	8,500	7,000	5,000	4,000

- (A) 4,65,000 (B) 3,65,000
- (C) 39,500 (D) 7,65,000
- (2) Cost per Passenger k.m. is Rs. 0.25. Distance between two cities in 100 km. profit expected is 50% of fare income. What will be the bus fare?
- (A) Rs. 50 (B) Rs. 37.50
- (C) Rs. 25 (D) Rs. 40
- (3) Suppose the total cost of a product is Rs.5,000 and if the 20% profit is to be calculated on the selling price, then what will be the profit on the cost price?
- (A) Rs. 1,250 (B) Rs. 750
- (C) Rs. 1,500 (D) Rs. 1,250
- (4) The information for Production of a factory is as under
- Direct Material 15% of selling Price  
 Direct Labour 25% of selling Price  
 Factory Overheads 25% of Prime Cost  
 Office overheads 40% of Factory Cost  
 Profit (Rs. 1,500 per unit) 20% of selling Price.
- Find out Selling Overheads.**
- (A) Rs. 650 (B) Rs. 750 (C) Rs. 775 (D) Rs. 800
- (5) Legal Expenses are shown in cost sheet as
- (A) Factory Expense (B) Direct Expense
- (C) Office Expense (D) Distribution Expense
- (6) If loss as per Financial Accounts is Rs. 35,000 and Goodwill written off is Rs. 20,000, and Rent Income is Rs. 15,000, then according to cost accounts
- (A) Loss is Rs. 30,000 (B) Profit is Rs. 30,000
- (C) No Profit, No Loss (D) Loss is Rs. 15,000

(7) Office Expense as per Financial Accounts are Rs. 1,57,500 which are 5% more in comparison of that show in cost accounts. Office expenses as per cost accounts will be-

(A) Rs. 1,50,000

(B) Rs. 1,65,000

(C) Rs. 1,49,625

(D) Rs. 1,65,375

(8) From the following items of income, which item is also shown in Cost Accounts?

(A) Rent Income

(B) Interest Income

(C) Income From scrap selling

(D) Dividend Income

(9) In pharmaceutical business which costing method is used?

(A) Contract Costing

(B) Job Costing

(C) Process Costing

(D) Batch Costing

(10) In which of the following industries job costing is used?

(A) Book Publication

(B) Building Construction

(C) Cement Industry

(D) Printing Works

(11) Contract Price is Rs. 15,00,000 and 75% work of contracts is completed. Certified from architect is received for 90% of work completed. What will be the value of uncertified work?

(A) Rs. 1,12,500

(B) Rs. 11,25,000

(C) Rs. 1,35,000

(D) Rs. 13,50,000

(12) Profit of a contract credited to P & L is Rs. 1,20,000. This amount is calculated on the basis of 2/3 of 80% cash receipt. Find out total profit of the contract.

(A) Rs. 80,000

(B) Rs. 96,000

(C) Rs. 2,00,000

(D) Rs. 2,25,000

ROLL NO. \_\_\_\_\_

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**TOTAL MARKS : 30**

**SECTION-B**

**Instructions: Necessary Calculations are the part of answer.**

**Que-1:** Rudra Transport Co. supplies the following information in respect of a Truck of **5 Ton** capacity: **(15)**

<b>Particulars</b>	<b>Details</b>
Cost of Truck	Rs. 30,00,000
Estimated Life	10 Years
Scrap Value	Rs. 3,00,000
Diesel, Oil and Grease	Rs. 400 Per Trip each way
Driver's Salary	Rs. 18,000 Per Month
Cleaner's Salary	Rs. 12,000 Per Month
Repairs & Maintenance	Rs. 1,50,000 Per Year
Insurance	4.8 % on truck value per year
Taxes	Rs. 72,000 per year
General Supervision Charges	Rs. 1,44,000 per year

**Additional Information:**

- 1) The truck carries goods from one city to another city covering a distance of 40 km. each way.
- 2) The Truck makes 2 round trip per day.
- 3) On Outward trip freight is available to the extent of full capacity.
- 4) On return freight is available to the trip at 50% of the capacity.
- 5) Assuming that the truck runs on an average 25 days a month.

**Work out**

- (1) Operating Cost Per Ton Kilometer by making Operating Cost Sheet.
- (2) Rate per Ton kilometer that the company should charge if a profit of 50% on freightage is to be earned.
- (3) Freight of each outward trip.

**OR**

**Que-1 :** Divya-Muskan Co. Ltd. sold all production for Rs. 2,40,000 during the year 2023. The cost per unit of the company was as under. **(15)**

<b>Particulars</b>	<b>Cost per unit (Rs.)</b>
Direct Material	40
Direct Wages	30
Direct Expenses	10
<b><u>Factory Overheads</u></b>	
Fixed	4
Variable	6
Office Overheads ( <b>Fixed</b> )	10
Sales Overheads	
Fixed	6
Variable	4
Total Cost	110
Profit	10
<b>Sales Price</b>	<b>120</b>

**Out of the annual production capacity of the company 80% of the production was done in 2023. The estimate for the year 2024 is as under:**

- (1) The production will be at its full production capacity, of which 80% units will be sold.
- (2) There will be 20% increase in all variable expenses.
- (3) There will be 10% increase in all fixed overheads.
- (4) The rate of profit on cost remains same as per last year.

From the above information, prepare

**(a) Statement of total cost (Cost Sheet) for the year 2023**

**(b) An estimated Cost sheet for the year 2024.**

**Que-2 :** Kavyaraj Real Estate Ltd. provide the following information regarding contract of Building construction. **(15)**

<b>Particulars</b>	<b>Rs.</b>
Direct Material	51,300
Material (from Stores)	10,500
Wages	27,300
Direct Expenses	8,700

Establishment Expenses (Allocated)	3,000
Plant	32,200
Sub-Contract Cost	3,000
Sale of scrap	2,000

**Additional Information:**

- (1) At the end of the year accrued wages Rs. 2,700 and Direct Expenses Rs. 2,100.
- (2) Work- uncertified includes Material Rs. 3,200, Wages Rs. 1,600 and Direct Expenses Rs. 1,000.
- (3) Plant of Rs. 5,000 and Goods worth Rs. 2,000 were destroyed by fire.
- (4) Plant costing Rs. 7,000 sold at Rs. 6,000.
- (5) Goods costing Rs. 3,000 sold at Rs. 4,000
- (6) Depreciation of Plant upto the end of the year was Rs. 2,200
- (7) Material at site at the end of the year was Rs. 5,000.
- (8) Rs. 96,000 Cash received from Contractee at 80% of Work-Certified.
- (9) Total Contract Price is Rs. 1,60,000.
- (10) Transfer  $\frac{3}{4}$  cash Basis Profit to the Profit and Loss A/c.

Prepare **Contract Account** in the books of Kavyaraj Real Estate Ltd.

**OR**

**Que-2 :** Following is the Trading Account and Profit and Loss Account of Jainisha Ltd. for the year ended on 31-03-2023. **(15)**

Particulars	(Rs.)	Particulars	(Rs.)
Materials	3,50,000	Sales (2000 Units)	8,13,000
Direct Labour	2,40,000	Finished Stock (500 Units)	1,37,000
Factory Expenses	1,10,000		
Gross Profit c/d	3,00,000	<b>Work in Progress A/c:</b>	
		Materials	25,000
		Direct Labour	10,000
		Factory Expenses	15,000
			50,000
	<b>10,00,000</b>		<b>10,00,000</b>
Office expenses	70,000	Gross Profit b/d	3,00,000
Sales expenses	15,000	Dividend Received	20,000
Preliminary expenses	4,000	Rent Received	5,000
Provision for Income-tax	11,000		
Net profit	2,25,000		
	<b>3,25,000</b>		<b>3,25,000</b>

The following information has been obtained on scrutiny of cost accounts.

- 1) Material and Wages are charged at actual cost.
- 2) Factory Expenses have been allocated to the production at 50% of Wages.
- 3) Office Expenses have been charged at 10% of Factory Cost.
- 4) Sales Expenses have been charged at Rs. 5.00 per unit on units sold.

**From the above information prepare:**

- (a) Statement of showing profit and loss as per Cost Accounts (Cost Sheet)
- (b) Reconciliation Statement