E 100) 2020-21 till 2022-23

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MASTER OF COMMERCE (M.COM.)
EXAMINATION : DECEMBER - 2022
FIRST SEMESTER
Sub: Costing (MCA-312)

Date: 08/12/2022 **Total Marks :100** **Time: 02.00 pm to 5.00 pm**

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

Q.1 Answer the following questions. (Attempt any two) **(30)**

1. M/S contractor engineer undertook a contract of Rs-2,50,000 for constructing a collage building. The following concerning the contract during the year 2016

Particulars	Amt.
Material sent to site	85,349
Labour	74,375
Plant installed at site at cost	15,000
Direct expenses	3,167
Establishment charges	4,126
Material return to stores	549
Work certified	1,95,00
Value of plant as on 31st march 2016	11,000
Cost of work not yet certified	4,500
Material sent at site on 31st march 2016	1,883
Wages accrued on 31st march 2016	2,400
Direct expense accrued	240
Cash received from contractee	1,80,000

Prepare contract A/C and contractee A/C.

2. A product passes through two distinct processes A and B. from the following information you are required to prepare
   1) Process A account
   2) Process B account

Particulars	Process A	Process B
Material (introduced 20,000 units in process A)	30,000	3,000
Labour	10,000	12,000
Overheads	7,000	9,580
Normal loss	10%	4%
Scrap value of normal loss	Rs-1 per unit	Rs-2 per unit
Output	17,500 units	17,000 units

There was no stock or work-in-progress in any process

3. Gemini Chemicals industries provide you the following information from their records for making 10 kgs of GEMCO (the product), the standard material requirement is

Material	Quantity (kgs)	Rate per Kg (Rs)
A	800	6
B	400	4

The actual consumption of material is as under:

Material	Quantity (kgs)	Rate per Kg (Rs)	
A	750	7	
B	500	5	

Calculate:

1) Material price variance
2) Material usage variance
3) Material cost variance
4) Material mix variance
5)

4. A company budgets a production of 150,000 units. The variable cost per unit is Rs-14 and fixed cost per unit is Rs-2 per unit. The company fixes selling price to fetch a profit of 15% on cost.

Find out-
BEP
P/V Ratio
If the selling price is reduced by 5%, how does the revised selling price affects the break-even point and P/V ratio?
If profit increase of 10% is desired more than the budget, what should be the sales at the reduced price?

Q.2 Answer the following. (Attempt any three) **(30)**

1. Prepare a production budget for the year ended 2016

Product	Estimated stock		Sales units
	Jan 1	Dec 31	
A	10,000	10,000	1,20,000
B	10,000	20,000	1,00,000

2. Classification of cost according to element

3. Advantages of budgetary control

4. Types of Shares

5. Budget

Q.3 Write short notes. (Attempt any four) **(20)**

1. Break-even point
2. P/V ratio
3. Advantages of job costing
4. Variance analysis
5. Cost centre
6. Operating costing

Q.4 Select the Correct Alternatives (Attempt Any Ten) **(20)**

1 Break-even point is the point of -----------

a) High profit b) low losses
c) No profit, no loss d) P/V ratio

2 -------- method is used in hospitals in determining cost

a) Job costing b) Operating costing
c) Unit costing d) Contract costing

3 Margin of Safety = Actual sales less -------

a) Profit volume ratio b) Fixed cost
c) Break-even sales d) Profit

4 Standard cost is used --------

a) As a basis for price fixation and cost control through variance analysis
b) To ascertain the break-even point
c) To establish cost-volume profit relationship
d)None of the above

5 In contract account, the account of work-in-progress consist of --------

a) Cost of work certified
b) Cost of work uncertified
c) The amount of profit transferred to p & L a/c
d)a +b + c

6 Master budget is --------

a) Expansion of all budget
b) Summery of all budget
c) Total of all budgets
d) separation of all budget

7 Product mix is also known as -------

a) Product assortment
b) Absorption cost
c) Differential product
d) Normal cost

8 The cost which remains fixed irrespective of level of output are known as ------

a) Fixed cost
b) Variable cost
c) Semi variable cost
d) Historical cost

9 ------- are predetermined costs of a product under present or anticipated future conditions.

a) Standard cost
b) Abnormal cost
c) Historical cost
d) None of the above

10 Idle time variance is always --------

a) Adverse
b) Positive
c) Favorable
d) Similar

11 P/V ratio shows relationship between contribution and --------

a) Purchase
b) Sundry debtors
c) Sales
d) Sundry creditors

12 Budget is prepared -------------

a) In advance for a special period
b) Long term period
c) After a specified period
d) Short term period
