

Dr. Babasaheb Ambedkar Open University
Term End Examination June – 2017

Course	: DACA	Date	: 27-Jun-17
Subject Code	: DACA-02	Time	: 3:00 TO 6:00
Subject Name	: Various Formas of Costing	Duration	: 03 Hours
		Max. Marks	: 70

Section – A

Answer the following questions (Any three)

(30)

1. From the following information prepare statement of cost sheet and show total profit and profit per unit:

Particular	Rs.
Purchase of raw materials	1,15,000
Carriage inwards	4,000
Direct wages	96,000
Machine hours worked	10,000 hours
Machine hour rate	Rs. 4 per hour
Opening stock of raw materials	25,000
Opening stock of finished stock (4,000 units)	40,000
Closing stock of raw materials	20,000
Closing stock of finished stock	5,000 units
Opening work-in-progress	Rs. 5,000
Closing work-in-progress	Rs. 15,000
Office overheads	4% of work cost
Selling and distribution expenses	Re 1 per unit
Sales	3,00,000
Production during the year	26,000 units

2. A contractor having undertaken construction work at a contract price of Rs. 5,00,000 initiated the execution of the work on 1/4/2015:

Particular	Rs.
Machinery installed at site	30,000
Materials sent to site	1,70,698
Labour at site	1,48,750
Direct expenses	6,334
Overhead charges allocated	8,252
Materials returned from the site	1,098
Work certified by architect	3,90,000
Cash received	3,60,000
Cost of work not yet certified	9,000
Materials on hand as at 31-3-2011	3,766

Wages accrued on 31-3-2011	5,380
Value of machinery as at 31-3-2011	22,000

2/3 of the profit of the contract on the basis of cash received is to be transferred to profit and loss account. Prepare contract account.

3. The material in a factory passes through three processes, A, B and C for production of finished product. During the month ending 30th April, 2016, 1,200 units were produced. The following information is available from cost accounts:

Particular	A	B	C
Materials	8,000	4,000	3,000
Labour	6,000	5,000	5,000
Direct expenses	1,200	400	1,000
Cost of bottles	-	4,060	-
Cost of corks	-	-	650

The indirect expenses for the period were Rs. 3,200 which is to be apportioned in proportion to wages. The by-product of process B was sold for Rs. 480 and the residue of process C sold for Rs. 250. Prepare the accounts of each process and calculate in detail the cost per unit in each.

4. From the following information find out cost per km. of one vehicle.

Particular	
Annual Kilometer	30,000
	Rs.
Cost of vehicle	5,00,000
License fees (Annual)	16,000
Insurance	14,000
Garage rent	12,000
Supervisor's salary	24,000
Salary of a driver per hour	5
Price of petrol per liter	50
Repairs per kilometer	2
Tyre expenses per kilometer	1.50
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Vehicle runs 20 kilometer per liter and life of vehicle is 2,00,000 kilometers and speed of vehicle per hour is 20 kilometers.

5. Explain steps for effective determination of joint costs.

Section – B

Answer the following questions (Any four)

(20)

- Write a note on Contract Costing.
- Explain the Inter-Process profit in process costing.
- Short note on Batch costing.
- What is unit costing?
- Explain allocation of joint cost.
- Discuss meaning and characteristics of operating costing.

Section – C

Multiple choice questions

(20)

1. Prime cost + factory overheads = _____
(A) Office cost (B) Works cost (C) Cost of production of goods sold (D) Total cost
2. _____ is that form of specific order costing which applies where work is undertaken to customers.
(A) Job costing (B) Process costing (C) Operating costing (D) Contract costing
3. If 20% profit is given on sales then _____ % profit on cost.
(A) 15 (B) 50 (C) 25 (D) $11\frac{1}{9}$
4. _____ are frequently obtained during the production of main product.
(A) By-product (B) Material (C) Machinery (D) Labour
5. From the following information calculate fixed cost charged in particular job work. (1) Fixed overheads estimated Rs. 7500 for 10,000 hours (2) 80 working hours for unit – 1 and 60 working hours for unit – 2.
(A) Rs. 7,500 (B) Rs. 10,000 (C) Rs. 210 (D) Rs. 105
6. _____ moves along with the job from one department to another department.
(A) Job (B) Workers (C) Ticket (D) None
7. Architect issues a certificate of work done is termed as _____.
(A) Work-in-progress (B) Certified work (C) Uncertified work (D) Finished work
8. If certain percentage of profit charge while transferring goods of one process to the next process termed as _____.
(A) Inter-process profit (B) Marginal profit (C) Reserve Profit (D) None
9. In which of the following business operating costing is not applicable?
(A) Transport (B) Hotels (C) Hospitals (D) Oil
10. Which of the following features does not apply to a service organization?
(A) They use operating costing method for determination of costs.
(B) They are engaged in export business.
(C) They are engaged in providing or operating a service.
(D) They use composite units rather than single unit.
