

22. Mr. Subash furnishes you the following information and wants you to compute the cost per running k.m. of vehicle A.

Cost of Vehicle	2,50,000
Road licence per year	800
Annual supervision and salaries	2,700
Drivers wages per hour	4
Cost of fuel per litre	12
Repairs and maintenance per km	2
Tyres cost per km	1
Insurance premium p.a.	700
Garage rent per year	1,300
Kms. Run per litre	20
Kms. Run during the year	15,000
Estimated life of vehicle in kms	1,00,000
Average tonnage carried	6

Charge interest at 5% per annum on cost of vehicle. The vehicle runs 20 kms. per hour on an average.

23. The standard mix for each batch of 100 units of product X is:

Material A 6 kg at ` 15 = 90

Material B 4 kg at ` 10 = 40

10 kg ` 130

During January, 10 batches were completed with actual consumption as follows.

Material A 63 kg at ` 14 = 882

Material B 39 kg at ` 11 = 429

102 kg ` 1,311

Actual output was 960 units.

Calculate (a) Material cost variance (b) Material price variance (C) Material usage variance (D) Material mix variance and (E) Material Yield variance.

24. The following details are available in respect of Processes A and B for May 2018:

	Process A	Process B
Materials consumed	50,000	10,000
Wages	20,000	30,000
Overheads	10,000	10,000

Process A transfers its output to process B at a profit of 20% on transfer price and process B transfers its product to finished stock account at 20% on cost. The finished goods are sold for ` 2,00,000. Prepare the process accounts, finished stock account and profit and loss account showing the total profit for the month, assuming the sundry expenses were ` 20,000, which were not apportioned to the processes.

25. Briefly discuss the various types of costs.

அரசினர் ஆடவர் கலைக்கல்லூரி (தன்னாட்சி), நந்தனம், சென்னை – 35.

CODE: **196008**
NOVEMBER 2020

TIME: 3 Hrs
MAX. MARKS: 50

PART A

(10 x 2=20)

Answer any **TEN** questions.

- What are the objectives of cost accounting?
- What is abnormal gain?
- What is variance?
- What is quotation?
- What is EOQ?
- What is Escalation clause?
- What is job costing?
- Find out the cost of output and Abnormal Loss.
Cost per unit of the process : ` 80
Output of the process : 1,000 units
Abnormal loss : 200 units
Scrap value : ` 20 per unit
Market price per unit : ` 120
- From the following information, calculate total passenger kilometres.
Number of buses - 4
Days operated in a month - 30
Trips made by each bus - 4
Distance of route - 30 km (one way)
Capacity of bus - 60 passengers
Normal passengers travelling - 80% of the capacity.
- The standard cost card reveals the following information:
Labour rate - 50 paise per hour
Hours set per unit - 10 hours
Actual data are given below:
Units produced - 500
Hours worked - 6,500
Actual labour cost - ` 2,400
Calculate labour cost variance.
- From the following details, calculate variable overhead cost variance:
Budgeted variable overhead ` 1,20,000
Budgeted Output in units 20,000
Budgeted hours 60,000
Actual variable overhead ` 1,70,000
Actual hours 50,000
Actual output in units 22,000

12. Find out abnormal loss or gain in units.

Input - 5000 units
Normal loss – 20%
Output - 4,300 units

PART B

(2 × 5 = 10)

Answer any **TWO** questions.

13. Discuss about cost control and cost reduction.

14. What are the advantages of standard costing?

15. A Joint process results in the production of three products A, B and C at a total cost of ₹ 26,250. The subsequent costs of the products were ₹ 8,000, ₹ 10,000 and ₹ 12,000 respectively.

They were sold as follows with estimated profit on sales

Product A: ₹ 20,000 : Profit 20%

Product B: ₹ 28,000 : Profit 25%

Product C: ₹ 40,000 : Profit 30%

Show the apportionment of joint costs on the basis of net realisable value.

16. From the following data calculate the cost per mile of a vehicle:

Value of vehicle	15,000
Road licence for the year	500
Insurance charge per year	100
Garage rent per year	600
Drivers wage per month	200
Cost of petrol per litre	0.80
Miles per litre	8
Proportionate charge for tyre and Maintenance per mile	0.20
Estimated life	1, 50,000 miles
Estimated annual mileage	6,000 miles
Ignore interest on capital	

17. The standard time and rate for unit component are given below:

	Standard	Actual
Number of men employed	100	90
Output in units	5000	4800
Number of working days in a month	20	18
Average wages per man per month	200	198
Calculate	(a) Labour cost variance	
	(b) Labour efficiency variance	
	(c) Labour rate variance	

18. A company produces one product and the standard cost card contains the following information:

	Budgeted	Actual
Output for the month	4,000 units	4,400 units
Fixed overhead	₹ 24,000	₹ 26,000
Variable overhead	₹ 24,000	₹ 34,000

- Calculate (a) Total overhead cost variance
(b) Fixed overhead cost variance
(c) Variable overhead cost variance

19. Laxmi Travels, a transport company is running a fleet of six buses between two towns 75 kms. apart. The seating capacity of each bus is 40 passengers. The following particulars are available for the month of April, 1985.

Wages of drivers, conductors etc.	3,600
Salaries of office and supervisory staff	1,500
Diesel oil etc.	10,320
Repairs and maintenance	1,200
Taxes and insurance	2,400
Depreciation	3,900
Interest and other charges	3,000

The actual passengers carried were 80% of the capacity. All the buses run all the days in the month. Each bus made one round trip per day. Find the cost perpassenger kilometre.

20. The following was the expenditure on a contract for ₹ 6,00,000 commenced in February 2004

Materials – ₹ 1,20,000; Wages – ₹ 1,64,400; Plant – ₹ 20,000; Business charges – ₹ 8,600.

Cash received on account up to 31st Dec.2004 amounted to ₹ 2,40,000 being 80% of work certified. The value of materials on hand at 31-12-2004 was Rs.10,000. Prepare contract account for 2004 showing the profit to be credited to the year's Profit and Loss account. Plant is to be depreciated at 10%

PART C

(2 × 10 = 20)

Answer any **TWO** questions.

21. The following information is available in respect of Process I for the month of January, 2017

Opening work in progress 5000 units:

Material	100% complete – ₹ 18,750
Labour	60% complete – ₹ 7,500
Overheads	60% complete – ₹ 3,750

Units introduced into the process 20,000

Closing work in progress 7,000 units

Material	100% complete
Labour	50% complete
Overheads	50% complete

18,000 units are transferred to next process. The process costs for the month were as follows:

Materials ₹ 2,31,250; Labour ₹ 1,64,500; and Overheads ₹ 82,250

Prepare statement of equivalent production, statement of cost, statement of evaluation and process account by following average cost method.