

(Pages : 10)

L – 1756

Reg. No. :

Name :

Sixth Semester B.Com. Degree Examination, March 2021

First Degree Programme Under CBCSS

Core Course : CO 1642 / CX 1642 / TT 1642/ HM 1642 / CC 1642

APPLIED COSTING

(2018 Admission Regular)

**(Common for Commerce / Commerce and Tax Procedure and Practice /
Commerce and Tourism and Travel Management / Commerce and Hotel
Management and Catering / Commerce with Computer Applications)**

Time : 3 Hours

Max. Marks : 80

SECTION – A

Very short answer. Answer **all** questions. **Each** question carries **1** mark.
(**one** sentence to maximum **two** sentences).

1. What is De-Escalation Clause?
2. Name any two Specific order costing.
3. What is Retention money?
4. What is work uncertified?
5. What is notional profit?
6. Write any two expenses incurred by hospitals.
7. Write any two problems in setting standards.

P.T.O.

8. What is normal process loss?
9. What is waste?
10. What is split off point?

(10 × 1 = 10 Marks)

SECTION – B

Short Answer. Answer **any eight** questions. **Each** question carries **2** marks.
(Not to exceed **one** paragraph)

11. Define Batch costing.
12. What is process costing?
13. Where we can apply a batch costing?
14. What is a joint product?
15. What is economic batch quantity?
16. Write any two methods of apportionment of joint cost.
17. Define marginal costing.
18. What is contribution?
19. What is break even point?
20. What is margin of safety?
21. Define standard costing.
22. What is variance?
23. What are composite cost units?
24. Define job costing.
25. What is a byproduct?
26. What is abnormal gain?

(8 × 2 = 16 Marks)

SECTION – C

Short Essay. Answer any six questions. Each question carries 4 marks. (Not to exceed 120 words).

27. Briefly discuss the Job Costing Procedure.
28. Prepare a specimen form of a contract account.
29. Distinguish between Job costing and Process costing.
30. Discuss the distinction between Absorption costing and Marginal costing.
31. Define operating costing. What are its features.
32. Compute the Economic Batch Quantity for a company using batch costing with the following information.

Annual demand for the parts	4,000 units
Setting up cost	Rs. 100
Cost of Manufacture : One unit	Rs. 200
Rate of interest per annum	10%

33. Gangaram Construction Limited undertook a number of contracts during 2020. Following particulars are available as regards the construction of a canteen building :

Materials at site on 1.1.2020	2,000
Materials purchased	50,000
Materials supplied from stores	10,000
Materials returned to stores	1,000
Materials costing Rs. 2,000 were stolen	
Materials worth Rs. 200 destroyed by fire	
Materials costing Rs.1,000 were sold for Rs.800	

Materials in hand at the end of the year	10,000
Materials received from hospital contract which was completed	20,000
Materials transferred to cinema contract	500
Plant issued to contract on 1.1.2020	50,000
Plant returned to stores	1,000
Plant costing Rs. 2,000 was sold for Rs. 2,500	
Plant worth Rs. 500 was stolen	
Plant worth Rs. 300 was destroyed by an accident	
Plant in hand at the site at the end of the year	10,000

Show how these transactions will appear in the Contract Account.

34. Write up Contract Account No. 99 from the following particulars.

Direct materials	9,000
Wages	6,000
Special plant	4,000
Stores issued	1,600
Loose Tools	750
Other expenses	1,300
Expenses of workmen	600
Contract price	30,000

- (a) The contract was completed in 20 weeks at the end of which period special plant is returned subject to a depreciation of Rs. 800.
- (b) The value of loose tools and stores returned were Rs.500 and Rs.200 respectively.
- (c) The value of the tractor was Rs. 9,750 and depreciation was to be charged to this contract at the rate of 20 percent per annum for 20 weeks.
35. Product X requires three distinct process and after the third process the product is transferred to finished stock. You are required to prepare various process accounts from the following information :

	Total	P1	P2	P3
	₹	₹	₹	₹
Direct materials	5,000	4,000	600	400
Direct labour	4,000	1,500	1,600	900
Direct expenses	800	500	300	—
Production overheads	6,000	—	—	—

Production overheads to be allocated to different processes on the basis of 150% of direct wages. Production during the period was 200 units. Assume there is no opening or closing stock.

36. Marginal costing (Prob 5) the following figures are supplied to you:

Fixed cost	₹ 1,00,000
Capacity sales	₹ 4,00,000
Variable cost	35 paise for each unit
Selling price per unit	₹ 1

Calculate the profit or loss at 60% capacity at the price of ₹ 1.50 per unit.

37. The standard cost card shows the following details relating to the material needed to produce 1 kg of groundnut oil :

Quantity of groundnut required	3 kgs.
Price of groundnut	Rs. 2.50 per kg.
Actual production data	Production during the week : 1,000 kgs.
Quantity used	3,500 kgs
Price of groundnut per kg.	Rs. 3

Calculate :

- (a) Material cost variance.
 - (b) Material price variance.
 - (c) Material usage variance.
38. From the following data, calculate the cost per kilometer of a vehicle.

Value of vehicle	15,000
Road licence fee per year	500
Insurance charges per year	100
Garage rent per year	600
Driver's wages per month	200
Cost of petrol per litre	3.60
Kilometres per litre	8
Proportionate charges for tyre and maintenance per km	0.20
Estimated life	1,50,000 kms
Estimated annual kilometreage	6,000
Ignore interest on capital	

(6 × 4 = 24 Marks)

SECTION - D

Long Essay. Answer **any two** questions. **Each** question carries **15** marks.

39. Define contract costing. What are its features? Distinguish between Job costing and contract costing. Also discuss the treatment of notional profit in incomplete contracts.
40. From the information given below relating to an unfinished contract ascertain;
- (a) Profit on work certified
 - (b) Cost on work in progress at the end of the year

Materials sent to site	86,000
Labour engaged on site	65,000
Plant issued	80,000
Direct expenses	8,000
Establishment charges	4,000
Materials returned to stores	600
Work certified	1,90,000
Uncertified work	7,700
Material in hand	2,000
Wages accrued	300
Cash received	1,61,500
Depreciation on plant	7,000

41. Product X is obtained after it passes through three distinct processes. You are required to prepare Process accounts from the following information :

	Total	P1	P2	P3
	₹	₹	₹	₹
Material	15,084	5,200	3,960	5,924
Direct wages	18,000	4,000	6,000	8,000
Production overheads	18,000			

1,000 units @ Rs. 6 per unit were introduced in process I. Production overhead to be distributed as 100% on direct wages.

Process	Actual output Unit	Normal loss	Value of scrap per unit
Process I	950	5%	4
Process II	840	10%	8
Process III	750	15%	10

42. You are given the following information relating to the production and sale of X Ltd. for the year 2015 and 2016 :

Year	2015	2016
Sales	76,000	1,30,000
Profit	—	6,000
Loss	4,800	—

Calculate :

- BEP Sale volume.
- Profit when sales are 1,20,000.
- Loss when the sales go down to the level of 60,000.
- Sales required to earn a Profit of 10,000.
- Margin of safety in 2016.

43. A furniture manufacturer uses sunmica tops for tables. From the following information, find out the price variance and cost variance.

Standard quantity of sunmica per table	:	4 sq. ft.
Standard price per sq. ft of sunmica	:	5
Actual production of tables	:	1000
Sunmica actually used	:	4300 sq. ft
Actual purchase price per sq.ft.	:	5.50

44. From the following data, find out in an appropriate cost sheet form the generating cost of electricity per unit in an Iron and Steel Works during the month of April, 2020.

(a) Fuel :	Coal at the beginning of the month	500 tons
	Supply during the month	1100 tons
	Balance at the end of the month	400 tons

Annual contract for supply of coal F.O.R. colliery at Rs. 10 per ton. Add 10% to cover freight and handling charges.

- (b) Oil : 10 tons at Rs. 250 per ton.
- (c) Water : 50,000 litres, pumping charges at 25 paise per 100 litres.
- (d) Depreciation of Steam Boiler : Capital value Rs.24,000 and the rate of depreciation is 12% per annum.
- (e) Salaries and wages of the Boiler House:
- 10 men at Rs. 100 per month each :
- 40 coolies at Rs.20 per month each:
- (f) Recovery on account of sale of ashes: 100 tones at Re. 1 per ton.

(g) Salaries and wages of the generating station:

50 men at Rs.100 per month each

20 coolies at Rs.20 per month each

(h) Repairs and maintenance of the generating equipments Rs. 2,600

(i) Depreciation of Generating Equipment: Capital Value Rs. 1,20,000 and the rate of depreciation is $12\frac{1}{2}\%$ pa.

(j) Share of administration charges : Rs. 1,750

(k) Number of units generated : 1,46,000

(l) Loss in the process : 2,000 units generated

(2 × 15 = 30 Marks)

Tourism

(Pages : 4)

L – 1753

Reg. No. :

Name :

Sixth Semester B.Com. Degree Examination, March 2021

First Degree Programme under CBCSS

Core Course : CO 1641 / CX 1641 / TT 1641 / HM 1641 / CC 1641

AUDITING

(2018 Admission, Regular)

(Common for Commerce / Commerce & Tax Procedure and Practice /
Commerce and Tourism and Travel Management / Commerce and Hotel
Management and Catering / Commerce with Computer Applications)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Very short answer. Answer **all** questions. Each question carries **1** mark.
(**one** sentence to maximum **two** sentences)

1. What is statutory audit?
2. Define internal control.
3. What is compensating error?
4. Define vouching.
5. What do you mean by contingent liability?
6. What is a clean audit report?
7. Give one example of errors of principle.

P.T.O.

8. What do you mean by fraud?
9. Define verification.
10. What is interim audit?

(10 × 1 = 10 Marks)

SECTION – B

Short Answer. Answer **any eight** questions. Each question carries **2** marks.
(Not to exceed **one** paragraph)

11. What are the objectives of a government audit?
12. What is Audit report?
13. What is the purpose of investigation?
14. What are the civil liability of the auditor?
15. What are the advantages of audit note book?
16. What is audit working paper?
17. What is routine checking?
18. What are different types of vouchers?
19. What is internal audit?
20. Write a note on Operational audit.
21. What is the purpose of efficiency audit?
22. What are the different kinds of Government audit?
23. Define Auditing.

24. What are the advantages of internal check to the auditor?
25. What is error of commission?
26. What are the objectives of routine checking?

(8 × 2 = 16 Marks)

SECTION – C

Short Essay. Answer any six questions. Each question carries 4 marks. (Not to exceed 120 words)

27. What are the advantages of auditing?
28. Discuss the types of private audit.
29. Explain the disadvantages of continuous audit.
30. Discuss the contents of audit working paper.
31. What are the types of audit papers?
32. What are the advantages of internal check?
33. Discuss the objectives of vouching.
34. Distinguish between internal check and internal audit.
35. What are the different classes of investigation?
36. What are the essentials of a valid voucher?
37. Write a note on investigation in 'misappropriation of goods'.
38. Briefly discuss the reasons for the development in the field of Auditing as a Profession.

(6 × 4 = 24 Marks)

SECTION - D

Long Essay. Answer **any two** questions. Each question carries **15** marks.

39. Discuss the Rights and Duties of Company Auditor.
40. Define auditing. What are the objectives of auditing?
41. Define Investigation. Discuss the different classes or objects of investigation.
42. What are the essentials of a good internal check system?
43. Discuss the guidelines for building an effective internal check system regarding wages.
44. Discuss the objectives and steps involved in verification of assets and liabilities.

(2 × 15 = 30 Marks)

Reg. No. :

Name :

Sixth Semester B.Com. Degree Examination, March 2021

First Degree Programme under CBCSS

**Core Course : CO 1643/CX 1643/TT 1643/HM 1643/CC 1643
MANAGEMENT ACCOUNTING**

**(Common for Commerce/Commerce and Tax Procedure and
Practice/Commerce and Tourism and Travel Management/Commerce and
Hotel Management and Catering/Commerce with Computer Applications)**

(2018 Admission Regular)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer **all** questions in one or two sentences each. Each question carries **1** mark.

1. What do you meant by management accounting?
2. What is routine report?
3. What do you mean by fixed cost?
4. Mention any two application of fund.
5. What is a fund flow statement?
6. What is production budget?
7. What is NPV?
8. What is functional budget?
9. What is decision tree?
10. What do you mean by budget manual?

(10 × 1 = 10 Marks)

P.T.O.

SECTION - B

Answer any eight questions in not exceeding one paragraph. Each question carries 2 marks.

11. What are the objectives of management accounting?
12. How does a past cost differ from future cost?
13. State any four advantages of management accounting.
14. Briefly explain cost benefit analysis.
15. How does traditional method differ from modern methods of capital budgeting?
16. What do you mean by profitability index?
17. List any four advantages of payback period.
18. What are the importance of ZBB?
19. Calculate net profit from the following information.

	Rs.
Opening stock	5,000
Purchase	20,000
Sales	35,000
Closing stock	10,000
Expense	5,000

20. Calculate fund from operations from the following :
Net profit for the year 15,250
Depreciation on machinery 1,500
21. Company A is planning to undertake a project requiring initial investment of 1,50,000. The project is expected to generate 25,000 per year in net cash flows for 6 years. Calculate payback period of the project.

22. Net profit are 20,000. There is an increase in the amount of debtors of 5,000. What would be the amount of cash flow from operating activities?
23. Calculate cash flow from operating activities from the following information :
- | | |
|----------|----------|
| Sales | 1,20,000 |
| Purchase | 70,000 |
| Wages | 25,000 |
- Assume that all the transactions were in cash.
24. What is key factor?
25. What are opportunity costs?
26. What is meant by working capital?

(8 × 2 = 16 Marks)

SECTION – C

Answer **any six** questions in not exceeding 120 words each. Each question carries 4 marks.

27. Differentiate cost accounting from management accounting.
28. Explain different types of reporting.
29. Differentiate budget from forecast.
30. What are the techniques of management accounting?
31. What are the objectives of cash flow statement?
32. Explain the importance of fund flow statement.

33. From the following profit and loss account compute the funds from operation Profit and Loss Account.

	Rs.		Rs.
To Salaries	5,000	By Gross profit b/d	1,000
To Rent	2,000	By Discount	5,000
To Depreciation	1,000	By Interest on investment	4,000
To Preliminary expense	2,000	By Net loss	5,000
To Loss on sale of land	5,000		
	15,000		15,000

34. From the following information, estimate net cash from operating activities.

Cash revenue from operations (cash sales)	20,000
Collections from debtors	80,000
Payments to suppliers	35,000
Payments to employees	15,000
Business expenses met	20,000
Sale of fixed assets	10,000
Income tax paid	12,500

35. Glamour Ltd. has prepared a budget for the production of a lakh units of the only commodity manufactured by them for a costing period as under;

Raw material	2.52 per unit
Direct labour	0.75 per unit
Direct expenses	0.10 per unit
Works overhead (60% fixed)	2.50 per unit
Administrative overhead (80% fixed)	0.40 per unit
Selling overhead (50% fixed)	0.20 per unit

The actual production during the period was only 60,000 units, calculate the revised budgeted cost per unit.

36. X Ltd. has a budgeted sale of 3,20,000 units of its finished product for the year 2016-17. The stock of finished product on 1st April 2016 is 40,000 units and expected stock on 31st March 2017 is 80,000 units. Normal wastage in production is 10%.

Prepare production budget showing the number of units to be processed.

37. From the following particulars, calculate net cash from investing activities.

	Purchase	Sale
Land	2,00,000	
Furniture	50,000	20,000
Goodwill	1,00,000	
Investments	75,000	10,000
Interest received on debentures	5,000	
Dividend received on shares	7,500	
Dividend paid to shareholders	10,000	

38. Compute the net present value for a project with a net investment of 1,00,000 and the following cash inflows. Cost of capital is 10%. 1st year inflow 55,000, 2nd year 80,000, 3rd year 15,000. Present value factor for three years at 10% .909, .826, .751.

(6 × 4 = 24 Marks)

SECTION - D

Answer **any two** questions in not exceeding 4 pages each. Each question carries 15 marks.

39. What do you mean by reporting? Explain the essentials of a good reporting system.
40. What is short run decision? Explain any five short run decisions often made by management.

41. The Balance sheet of a company as on 31st December 2011 and 31st December 2012 were as follows :

Liabilities	2011	2012	Assets	2011	2012
Retained earnings	1,60,000	3,00,000	Stock	1,00,000	95,000
Premium on shares	-	5,000	Debtors	43,000	50,000
Accumulated depreciation	80,000	60,000	Prepaid expenses	4,000	5,000
Debentures	60,000	-	Cash	15,800	10,200
Accounts payable	37,800	40,200	Commission on shares	25,000	20,000
Share capital	2,00,000	2,50,000	Fixed assets	3,50,000	4,75,000
	<u>5,37,800</u>	<u>6,55,200</u>		<u>5,37,800</u>	<u>6,55,200</u>

Additional information :

Net income for the year 1,40,000

Depreciation for the year 20,000

Income tax paid was 40,000

Interim dividend paid during the year 20,000

An addition to the fixed asset was made during the year at a cost of 1,65,000 and fully depreciated machine costing 40,000 was discarded; no salvage being realized.

Prepare :

- A statement of changes in working capital
 - A statement of sources and application of funds.
42. The expenses for the production of 500 units in a factory are given below;

	Per unit
Materials	80
Labour	60
Variable overhead (factory)	15
Fixed factory overhead(5000)	10
Administrative expenses (20% variable)	10
Selling and administration expenses (50% fixed)	10
Total per unit cost	<u>185</u>

You are also required to prepare a budget for 600 units

43. From the following information, calculate IRR.

Cost 22,000

Cash inflows:

Year 1 12,000

2 4,000

3 2,000

4 10,000

44. The Balance sheets of a company as on 31st March 2016 and 2017 are given below.

Particulars	Balance sheet		
	Note No.	31.03.2016 Amount ()	31.03.2017 Amount ()
1. Equity and liabilities			
Shareholders funds			
Share capital		1,00,000	1,60,000
Reserves and surplus (P&L A/c)		70,520	85,500
Share application money pending allotment			
Non-current liabilities			
Long-term borrowings (12% Debentures)		50,000	-
Long term provisions (Accumulated Depreciation)		60,000	40,000
Current liabilities			
Trade payables (creditors)		28,000	48,000
Total		<u>3,08,250</u>	<u>3,33,500</u>

2. Assets

Non-current assets

Fixed assets :

Tangible assets	1,52,000	2,00,000
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Current assets

Inventories (stock)	93,400	89,400
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Debtors	30,800	21,100
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Cash and cash equivalents	28,100	20,000
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Other current assets (prepaid exp.)	3,950	3,000
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Total	<u>3,08,250</u>	<u>3,33,500</u>
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Additional information :

(a) Net profit 27,050

(b) Depreciation charged 10,000

(c) Cash dividend declared during 2016-17 `12,000

(d) An addition to the building was made during the year at a cost of 78,000 and fully depreciated equipment costing `30,000 was discarded as no salvage being realized.

(e) Debentures were redeemed on 1.04.2016

You are required to prepare a cash flow statement.

(2 × 15 = 30 Marks)