QP. Code: 42422

Fourth Semester B.Com. Degree Examination, May/June 2026

(SEP 2024-25 Scheme)

COMMERCE

SUBJECT : (SCD 0220) : COST ACCOUNTING - II

Time : 3 Hours Max. Marks : 80

Instructions to Students:

1. **The student should legibly write Section number along with question numbers within the margin ONLY.**
2. **The answers without Section number and question numbers will not be valued.**
3. **Draw a neat & labeled diagram wherever necessary.**
4. **Do not write anything (except register number) on the question paper.**

SECTION - A

Answer any THREE questions. FIVE marks each. **(3x5=15)**

1. Briefly explain the features of contract costing.
2. What are the advantages of process costing?
3. From the following information, calculate Total Kilometer and Total Passenger KM.

   No. of Buses: 4

   Days operated in a Month : 30 days

   Trip made by each bus : 2

   Distance of route: 100 kilometers apart

   Capacity in each bus: 40 passenger

   Average passenger travelling: 75% of capacity
4. Calculate the PV Ratio of Hemanth Ltd. of Bangalore

Particulars	Sales (Rs)	Profit (Rs.)
2024	2,70,000	6,000
2025	3,00,000	15,000

5. Find out the Material variances of Bhavya Manufacturing Company of Hubli.

   Standard units 240 at Rs.2.50 Per unit

   Actual units 200 at Rs.2.20 Per unit.

SECTION - B

Answer any TWO questions. TEN marks each. **(2x10=20)**

6. Explain the advantages and Limitations of Standard costing.

7. Prepare Process Account of M/s Shameer Ltd of Haveri.

Particulars	Process X	Process Y	Process Z
Material	1,000	3,000	500
Labour	8,000	13,000	5,300
Direct Expenses	475	1338	388
Normal Wastage	3%	5%	8%
Scrap sold for Rs.	75	238	728
Actual output	9,500 units	9,100 units	8,100 units
Material Introduced to Process A 10,000 units at Rs.1 per unit.			

8. The information related to Contract Account of Sinchana Ltd. of Bombay as on 31-12-2024. The contract price was Rs.2,00,000.

Particulars	Rs.
Material sent to site	64,500
Wages	54,800
Plant installed at site	11,300
Work certified	1,43,000
Cash received	1,30,000
Plant on 31-12-2024	8,200
Work uncertified	3,400
Direct Expenses	2,400
General Expenses	3,250
Wages outstanding on 31-12-2024	1,800
Direct Expenses outstanding on 31-12-2024	200
Material returned to store	400
Material on hand	1,400

9. From the following information related to Anusha Private Ltd. Calculate:

a) P V Ratio b) Break-Even-Point c) Margin of Safety

Total Sales Revenue	Rs. 3,60,000
Unit Variable Cost	Rs. 50
Unit Selling Price	Rs. 100
Total Fixed cost	Rs. 1,00,000

SECTION - C

Answer any THREE questions. FIFTEEN marks each. **(3x15=45)**

10. What do you mean by Marginal costing? Explain the features and terminology used in marginal costing.

11. ABC Ltd manufacture and sale of Chemical products in process known as A,B and C. In each process 2% of the total output into normal loss and 10% is scrap. The scrap of A, B realized at Rs.100 per tonne and process C realized at Rs.200 per tonne.

Particulars	Process A	Process B	Process C
Material used (Tonnes)	1,000	140	1,348
Cost per tonne of material (Rs.)	120	200	80
Manufacturing Expenses (Rs.)	30,800	25,760	18,100
Sent to Warehouse for sale	25%	50%	100%
Passed to the next process	75%	50%	-

Prepare an account of each process showing the cost per tonne of each product.

12. Prepare Contract Account and Balance Sheet from the following Trail balance of M/s Halamma Ltd of Kolkata for the year ending 31-12-2025.

Particulars	Debit	Credit
Share capital		1,80,000
Bank Over Draft		20,000
Creditors		14,000
Cash received (80% of work certified)		4,00,000
Land and Building	50,000	
Furniture	30,000	
Bank Balance	5,000	
Motor Car	1,07,000	
Charged to the Contract:-		
Material	2,80,000	
Plant	1,00,000	
Wages	28,000	
Expenses	14,000	
Total	**6,14,000**	**6,14,100**

Additional Information:

1. Plant worth Rs.10,000 and Material worth Rs. 8,000 were lost in an accident.
2. On 31-12-2025, Plant costing Rs.10,000 was returned to store.
3. The cost of work uncertified Rs.4,000
4. Material costing Rs. 8,000 in hand
5. Charge Depreciation on plant at 10% Per Annum.
6. The Contract price was Rs. 10,00,000.

13. The following details are related to product Srusti during the month of March 2023. Compute: a) Material Variances b) Labour Variances.

Standard Cost Per Unit:-

Material 50 Units @ 40 per Unit

Labour 400 Hours @ Rs. 1 per Hour

Actual Cost for the Month:-

Material 4,900 Units @ Rs. 42 per Unit

Labour 39,600 hours @ Rs. 1.10 per Hour

Actual production 100 units.

14. A Transport Company is running the route of 6 buses between two towns, which are 75KM apart. Seating capacity of each bus is 40 passengers.

The following particulars are available for the month of June 2025.

a) Wages of driver, conductor and cleaner Rs. 3,600.
b) Salary of office staff Rs. 1,500
c) Diesel and other oil Rs. 10,320
d) Repair and Maintenance Rs. 1,200
e) Road Tax and Insurance Rs.2,400
f) Depreciation Rs. 3,900
g) Garage Rent Rs. 3,000

Actual passenger carried are 80% of the seating capacity. All the buses run all days of the month (30 days). Each bus made one round trip per day. Prepare operating cost sheet, Total passenger Kilometer and Cost per passenger Kilometer.

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