

Dr. Babasaheb Ambedkar Open University

Term End Examination January -2026

Course	: Diploma Course	Date	: 01/03/2026
Subject Code	: DACA-02	Time	: 11:30am to 01:45pm
Subject Name	: Various Forms of Costing	Duration	: 02.15 Hours
		Max. Marks	: 70

- Q-1** In Gemini Ltd. A product passes through two processes, A and B. During the month ended June 30, 1,500 units were produced. The detailed cost break-up is as follow: **14**

Particular	Process A	Process B
Direct materials	Rs. 90,000	Rs. 75,000
Direct labour	75,000	1,50,000
Direct expenses	15,000	18,000

Indirect overhead costs during the period were Rs. 60,000 apportioned to the processes on the basis of direct labour cost. No Work-in-progress existed at the beginning and end of the period. Prepare relevant process accounts.

OR

Adinath transport service company is running four buses between two towns, 50 kms apart. Seating capacity of each bus is 40 passengers. The following particulars were obtained from their books:

Wages of drivers, conductors and cleaners	Rs. 2,400
Salaries of office and supervisory staff	1,000
Diesel and other oil	4,000
Repairs and maintenance	800
Taxation, insurance, etc.	1,600
Depreciation	2,000
Interest and other charges	14,400

Actual passengers carried were 75% of the full capacity. All the four buses run on all days of the month. Find out the cost per- passengers-km.

- Q-2** Ramdev Ltd. manufactures product A which yields two by- products, B and C. in a period the amount spent up to the point of separation was Rs. 20,600. Subsequent expenses were: **14**

Particulars	A	B	C
Materials	Rs. 300	Rs. 200	Rs. 250
Direct wages	400	300	200
Overhead	300	270	180
	1,000	770	630

Gross sales value of products A, B and C was Rs. 15,000, Rs. 10,000 and Rs. 5,000 respectively. It was estimated that the net profit as a percentage of sales in case of product B and C would be 25 percent and 20 percent respectively. Ascertain the profit earned on A.

OR

In Rastogi Ltd. raw material passes through four process, I, II, III and IV and the output of each processes is the input of the subsequent process. The loss in the four process, I, II, III and IV is 25,20,20 and 16.67 percent of the input respectively. If the end product of process IV is 40,000 kgs, what is the quantity of raw material required to be fed at the beginning of process I and the cost of the same at Rs. 5 per kg?

Find out also the effect of increase or decrease in the material cost of the end product for every rupee variation in the cost of the raw material.

Q-3 Kanchan Ltd. undertakes a long-term contract, Which involves the fabrication of prestressed concrete blocks and the erection of the same on consumer's site. The following information is supplied regarding the contract, which is incomplete on March 31 of the current year:

14

Fabrication cost to date:	
Direct Material	2,80,000
Direct Labour	90,000
Overheads	75,000
Erection cost to date	15,000
Total cost incurred	4,60,000
Contract price	8,19,000
Cash received on account	6,00,000
Technical estimate of work completed to date:	
Fabrication	
Direct Price	80%
Direct Labour and Overheads	75%
Erection	25%

You are required to Prepare a statement for submission to the management indicating:

1. The estimated profit on the completion of the contract, and
2. The estimated Profit-to-date on the contract.

OR

From the following data calculate the cost per km of a vehicle for Janab Transport Ltd.

Value of vehicle	Rs 15,000
Road license for the year	500
Insurance charges per year	100
Garage rent per year	600
Driver' s wages per month	200
Cost of petrol per liter	0.80
Proportional charges for tyre and maintenance per km	0.20
Estimated life(kms)	1,50,000
Estimated annual milage(kms)	6,000
Petrol consumption (kms/lite)	8

Q-4 Junior Ltd. supplies a forge component to an automobile manufacturer. The existing forging machine has been in use for 6 years. An improved forge is available in the market. The comparative features of both are given below: 14

Particular	Existing forge	New forge
Original Cost	Rs. 1,20,000	Rs. 2,40,000
Life (years)	10	10
Labour cost per annum	6,000	8,000
Fuel	24,000	36,000
Power	10,000	14,000
Consumables	12,000	20,000
Repairs and maintenance	12,000	18,000
Tooling	8,000	20,000
Production per hours(numbers)	10	20
Number of hours working per year (on two-shift basis)	4,000	4,000
Rejection on inspection (percent)	6	2

Work out a comparative cost of production statement for the two machines. Assume there is no salvage value for both the machines. Use straight line method for depreciation and ignore interest and taxation.

OR

The following extracts of costing information related to commodity P for the half year ending September 30 of the current year:

Purchase of raw materials	Rs. 1,32,000
Direct wages	1,10,000
Rent, rates, insurance and works overhead	44,000
Carriage inwards 1,584 stock, April 1 of the current year:	
Raw materials	22,000
Finished products (1,600 tonnes)	17,600
Stock, September 30 of the current year	
Raw materials	24,464
Finished products (3,200 tonnes)	35,200
Work in progress, April 1	5,280
Work in process, September 30	17,600
Cost of factory supervision	8,800
Sales of finished product	3,30,000

Advertising, discounts allowed and selling costs amounted to Rs. 0.75 per tonne sold and 25,600 tonnes of commodity were produced during the period.

You are required to ascertain (a) the value of raw material used. (b) prime cost (c) the cost of turnover of the period (d) net profit for the period and (e) net profit per tonne of the commodity sold.

Q-5 Write Short Notes (Any two)

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1. Operating Costing
2. Joint Products
3. Batch costing
4. Weighted Average Cost Method
5. Process costing
