

Reg. No. :

Name :

Third Semester B.Com. Degree Examination, December 2017
First Degree Programme under CBCSS
Core Course : CO 1341/CC 1342
ENTREPRENEURSHIP DEVELOPMENT
(Common for Commerce/Commerce with Computer Application)
(2014 Admn. Onwards)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer all questions. Each in one or two sentences each :

1. Define the term entrepreneurship.
2. Who is an intrapreneur ?
3. What is a project ?
4. What is project appraisal ?
5. What is EDP ?
6. What is KVIC ?
7. What is a project report ?
8. What is pay back period ?
9. Define a sick unit.
10. What is seed capital ?

(10×1=10 Marks)

P.T.O.

SECTION - B

Answer any eight questions in not exceeding one paragraph :

11. Who are innovative entrepreneurs ?
12. Distinguish between entrepreneur and intrapreneur.
13. Describe the target groups of EDP.
14. Distinguish between PERT and CPM.
15. What are the elements of project formulation ?
16. What are the contents of a project report ?
17. What are the requisites of an ideal project report ?
18. What are the objectives of SSI ?
19. Discuss market analysis.
20. Who are the first generation entrepreneurs ?
21. What are the types of subsidy ?
22. What is an ancillary unit ?

(8×2=16 Marks)

SECTION - C

Answer any six questions :

23. Discuss the types of entrepreneurs.
24. Explain the functions of technoparks.
25. Explain the functions of DIC.
26. Discuss the phases of EDP in India.

27. Discuss the traits of a successful entrepreneur.

28. Explain the characteristics of entrepreneurship.

29. Explain the functions and services of SISI.

30. Explain the steps in project appraisal.

31. Explain the process of registration of SSI.

(6×4=24 Marks)

SECTION – D

Answer any two questions :

32. What do you mean by project formulation ? Explain different aspects of project formulation.

33. Explain the procedure and techniques used for project appraisal.

34. Discuss the major problems faced by SSIs in India.

35. Describe the various steps to be taken by an entrepreneur to start a small industry and explain the institutional support to SSIs.

(2×15=30 Marks)



Reg. No. :

Name :

Third Semester B.Com. Degree Examination, December 2017
Career Related First Degree Programme under CBCSS
2(b) : COMMERCE WITH COMPUTER APPLICATIONS
Complementary Course – III : CC 1331
Principles and Practice of Insurance
(2014 Adm. Onwards)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer all questions. Each question carries 1 mark :

1. The principle legislation regulating insurance business in India is _____
 2. Insurable interest is not present at the time of taking policy in _____
 3. General Insurance Corporation of India Act was passed in the year _____
 4. LIC Act was passed in the year _____
 5. Nationalization of general insurance was in the year _____
 6. A valid contract requires _____
 7. Insuring the risk with other insures is known as _____
 8. IRDA means _____
 9. The subject matter in life insurance is _____
 10. If there is no insurable interest, the insurance contract will become _____
- (10x1=10 Marks)**

P.T.O.



SECTION - B

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

11. What is re-insurance ?
12. What is an offer ?
13. What is an insurance policy ?
14. What is meant by utmost good faith ?
15. What is meant by proximate cause ?
16. What is medical insurance ?
17. What are the important classes of insurance ?
18. What is meant by nomination in life insurance ?
19. Who is an insurer ?
20. What is meant by contribution ?
21. What is an express warranty ?
22. What is a floating policy ?

(8×2=16 Marks)

SECTION - C

Answer **any six** questions in about **120** words **each**. **Each** question carries **4** marks :

23. What are the functions of insurance ?
24. Define insurance. What are its basic features ?
25. What are the features of fire insurance ?
26. Compare general insurance and life insurance.



27. 'Insurance is a security tool'. Explain.
28. Give a brief account of marine insurance.
29. What is the importance of life insurance ?
30. Write a note on title and claims.
31. Explain the features of motor insurance.

(6×4=24 Marks)

SECTION - D

Answer any two questions in not exceeding four pages each. Each question carries 15 marks :

32. Discuss the evolution of insurance in India.
33. 'The need for insurance arises out of the risks we all run in the course of living in our daily life'. Explain.
34. What are the different types of insurance ?
35. What are the elements of special contract to insurance ?

(2×15=30 Marks)



Reg. No. :

Name :

Third Semester B.Com. Degree Examination, December 2017
Career Related First Degree Programme under CBCSS
2(b) – Commerce with Computer Application
Core Course – XI : CC 1345
PROJECT FINANCE
(2014 Adm. Onwards)

Time : 3 Hours

Max. Marks : 80

SECTION – A

I. Answer **all** questions. **Each** question carries **1** mark.

- 1) _____ is the first stage in the process of project formulation.
- 2) Project layout is also called _____
- 3) Current Ratio : _____
- 4) Under _____ method all cash flows compared against the present value of cash outflows.
- 5) Sales – variable cost = _____
- 6) ARR means _____
- 7) Copyright is a _____ expense.
- 8) IDBI was established in the year _____
- 9) Financial leverage is also known as _____
- 10) _____ analysis is carried out to ascertain whether the project is technically sound. (10x1=10 Marks)

P.T.O.

SECTION – B

II. Answer **any eight** questions. **Each** question carries **2** marks.

- 11) What do you understand by a project ?
- 12) What is project life cycle ?
- 13) What do you understand by commercial viability ?
- 14) What do you mean by preliminary expenses ?
- 15) What is lease financing ?
- 16) What is working capital ?
- 17) What is deferred credit ?
- 18) Write any two functions of IDBI.
- 19) Define margin of safety.
- 20) What is NPV ?
- 21) Define factory layout.
- 22) What is ratio analysis ?

(8×2=16 Marks)

SECTION – C

III. Answer **any six** questions. **Each** question carries **4** marks.

- 23) What is social cost benefit analysis ?
- 24) Mention the advantages of equity capital.
- 25) What is generation of project ideas ?
- 26) What is techno-economic survey ?
- 27) What are the different types project ?
- 28) Explain the factors affecting factory design.



- 29) What are the limitations of break even analysis ?
- 30) What factors do you consider while selecting the site of a project ?
- 31) What are the relevant costs that are to be considered for plant location ?
(6×4=24 Marks)

SECTION - D

IV. Answer any two questions. Each question carries 15 marks.

- 32) Define project. Explain the contents of a project report.
 - 33) Discuss the various techniques of financial analysis of a project.
 - 34) Define factory layout and explain the various factors affecting the factory design.
 - 35) Critically evaluate project appraisal methods to be adopted under risk and uncertainty.
(2×15=30 Marks)
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Reg. No. :

Name :

Third Semester B.Com. Degree Examination, December 2017
First Degree Programme Under CBCSS
Core Course : CO 1343/CC 1344
ADVANCED FINANCIAL ACCOUNTING
(Common for Commerce/Commerce with Computer Application)
(2014 Admn. Onwards)

Time : 3 Hours

Max. Marks : 80

SECTION – A

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

1. Who is Consignee ?
2. What is over-riding commission ?
3. What is the treatment of goods in transit in Branch Account ?
4. Explain the meaning of Debtors System.
5. What is Joint Venture ?
6. What is Branch Adjustment Account ?
7. What is Realisation Account ?
8. What is Memorandum Joint Venture Account ?
9. Give the basis of apportionment of the following items in the departmental accounts :
 - a) Power
 - b) Depreciation.
10. What do you mean by interbranch transaction ?

(10×1=10 Marks)

P.T.O.

-2-

SECTION – B

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

11. What are the features of Joint Venture ?
12. What is Goods in transit and Cash in transit ?
13. What is recurring and non-recurring expenses on consignment ?
14. What is Delcredre commission ?
15. What is Branch Profits and Loss Account ?
16. What are the differences between branches and departments ?
17. Distinguish between dissolution of partnership and firm.
18. What do you mean by incorporation of branch Trial Balance ?
19. What are the ways in which head office may keep the branch accounts in its books ?
20. Distinguish between Account Sales and Invoices.
21. What are the different modes of dissolution of partnership firm ?
22. X sent goods worth ₹ 5,000 to 'Y' and paid ₹ 600 for packing and ₹ 400 for insurance. 'Y' took the delivery of the goods and paid ₹ 1,000 for freight, ₹ 200 for cartage and unloading ₹ 300 for godown rent, ₹ 200 as selling expenses and ₹ 400 for insurance of sold three fourth of the goods for ₹ 9,000. Compute the value of closing stock. (8×2=16 Marks)

SECTION – C

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

23. Distinguish between consignment and sale.
24. Define joint venture. What are the features of joint venture ?

25. Ramu of Cochin consigned goods of the cost of ₹ 10,000 to his agent, Ajith of Agra and incurred ₹ 2,000 for packing, forwarding and freight. Ajith took delivery of the goods after spending ₹ 3,000 for duty and clearing charges. He sold $\frac{3}{4}$ th of the goods for ₹ 15,000 for which he is entitled to a commission of 5%. His sales expenses amounted to ₹ 300. Prepare Consignment Account after showing the valuation of unsold stock.
26. C of Calcutta entered into a joint venture with A of Amritsar and M of Mirzapur on the following arrangement :
- A would purchase blankets and M would purchase carpets both of whom would send to C goods for sale.
 - C would sell the goods at the best possible price and would send the remittances to A and M in accordance with their respective dues.
 - Profits would be shares equally between the parties A purchased 500 blankets @ ₹ 50 each and spent ₹ 600 for freight etc. M Purchased 100 carpets at ₹ 350 each and spent ₹ 800 for freight etc. C sold all the blankets and carpets at ₹ 78,000 and his expenses amounted to ₹ 1,600. Show the Joint Venture Account and Co-ventures Account in the books of C.
27. Jyothi and Vikas were equal partners in a manufacturing business on June 2008, they dissolved the firm on which date their Balance Sheet was as follows :

	₹		₹
Creditors	28,000	Cash at Bank	2,500
Less : Reserve for discount	<u>1,000</u>	Debtors	42,000
Reserve for contingencies	5,000	Less : Provision	<u>2,000</u>
Mrs. Vikas Loan	10,000	Stock	32,000
Reserve Fund	15,000	Furniture	3,500
Jyothi's Loan	8,000	Plant and Machinery	25,000
Jyothi's Capital A/c	21,000	Prepaid Expenses	1,000
Vikas Capital A/c	18,000		
	1,04,000		1,04,000

Stock, Debtors, Plant and Machinery and Goodwill realised ₹ 27,000, ₹ 38,000, ₹ 20,000 and ₹ 5,000 respectively. Furniture did not realise any value. An amount of ₹ 6,000 was paid on account of contingent liabilities. The expenses of realisation were ₹ 1,000.

The firm had previously made some investment in shares of a Joint Stock Company and had written off this investments on finding it useless. The investment now realised ₹ 1,500.

Prepare Realisation Account and Partners Capital Account.

28. From the following particulars, find out the profit that you consider as having been earned by the Kannur Branch of Cochin Industries Ltd.

	₹
Stock on 1 st January 2010 (Invoice Price)	10,000
Goods sent to branch during 2010 (at invoice price)	55,000
Expenses at branch during the year	3,000
Sales during the year	60,000

Goods are invoiced to the branch at cost plus 25%; the sales price is cost plus 50%. Also find out the stock reserve that should be maintained in respect of unrealised profit.

29. The following are extracted from the Trial Balance of Head Office and its Kozhikode Branch.

	H.O.		Kozhikode Branch	
	Dr.	Cr.	Dr.	Cr.
	₹	₹	₹	₹
Branch A/c	16,000	-	-	-
Goods sent to Kozhikode Branch	-	12,000	-	-
Goods received from H.O.	-	-	10,500	-
Head Office Account	-	-	-	13,500

- Show how the adjusting entry will appear if it is given by H.O. Also prepare a Reconciliation Statement.

30. Mr. Arun of Kollam has opened a Branch of Mumbai which sells goods for Cash only. The following are the transaction between the Branch Office and H.O. for the year ended 31st December 2010

	₹
Opening Stock on 1 st January 2010	1,00,000
Goods supplied to Branch	2,50,000
Cash sent to Branch for rent	1,000
Cash sent for other expenses	500
Cash received from Branch during 2010	3,00,000
Closing stock on 31 st Dec. 2010	75,000
Petty Cash balance on 31 st Dec. 2010	50

From the above, pass Journal Entries and prepare Mumbai Branch Account.

31. Shri Gangaram sells two products manufactured in his own factory. The goods are made in two departments A and B for which separate sets of accounts are maintained. Some of the manufactured goods of Departments A used as raw materials by Department B and vice versa.

From the following particulars, you are required to ascertain the total cost of goods manufactured in Dept. A and B.

	Dept. A	Dept. B
Total units manufactured	10,00,000	5,00,000
Total cost to manufacturer	10,000	5,000

Dept. A transferred ₹ 2,50,000 units to Dept. B and the latter transferred 1,00,000 units to the former.

(6×4=24 Marks)

SECTION - D

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

32. X, Y and Z were partners. Their Balance Sheet stood as under on the date when the firm was dissolved :

	₹		₹
Sundry creditors	60,000	Sundry Assets	55,000
X's Capital A/c	22,000	P/L A/c	12,000
Z's Capital A/c	10,000	Y's Capital A/c	25,000
	92,000		92,000

The assets realised ₹ 40,000. The expenses of realisation amounted to ₹ 1,000. The position of the partners was as follows :

	Private Estate	Private Liabilities
	₹	₹
X	18,000	20,000
Y	12,000	21,000
Z	12,000	10,000

Prepare the necessary Ledger Accounts to close the books of the firm.

33. M/S Gulabi and Sons has two departments cloth and readymade clothes. Readymade clothes are manufactured by the firm itself out of cloth supplied by the cloth department at its usual selling rate. From the following figures, prepare departmental Trading and P/L A/c and General P/L A/c for the year ending 31st Dec. 2004 :

	Cloth dept.	Readymade Cloth dept.
	₹	₹
Opening stock on 1-1-2004	3,60,000	60,000
Purchases	29,00,000	20,000
Transfer to readymade clothes depts.	4,50,000	—
Manufacturing expenses	—	1,40,000
Closing stock on 31-Dec.-2014	1,00,000	48,000

General expenses incurred for both the departments were ₹ 1,20,000. The stocks in the readymade clothes departments may be considered as consisting of 66²/₃% cloth and 33¹/₂% other expenses. The cloth department earned profit at the rate of 18% in 2004.

34. Crown Industries Mumbai has a branch of Madurai to which goods are invoiced at cost plus 25%. The branch makes sales both for cash and on credit. Branch expenses are paid direct from Head Office and the branch remits all cash to Head office.

From the following details, prepare the necessary Ledger Accounts in Head Office books to calculate branch profits as per the stock and debtors system.

	₹
Goods Received from Head Office at invoice price	60,000
Returns to Head Office at invoice price	1,200

Branch stock on 1-1-2009 at invoice price	6,000
Cash sales	20,000
Credit sales	36,000
Branch Debtors on 1-1-2009	7,200
Cash collected from Debtors	32,000
Discount allowed to Debtors	600
Bad debts in the year	400
Goods returned by debtors to Branch	800
Rent, Rates and Taxes at branch	1,800
Branch office expenses	600
Branch stock of invoice price on 31-12-2009	12,000

The difference in Branch Stock Account is to be treated as surplus.

35. A of Ajmer consigned goods to B of Baroda for sale at invoice price or over. B was entitled to a commission of 3% on invoice price and 20% of any surplus price realised.

Goods costing ₹ 24,000 were consigned to Baroda. There were invoiced at a price so as to show a profit of 25% on invoice price. A paid there on ₹ 1,500 for freight and ₹ 500 for insurance on arrival of the goods, B paid ₹ 800 as lending charges and ₹ 2,000 for selling and godown expenses.

An account sale was received from B showing that he had effected sales of ₹ 30,000 in respect of $\frac{4}{5}$ th of the quantity of goods consigned to him. B sent a Bank overdraft for the amount so far due from him.

Prepare Consignment Account and B's account in the books of A. (2×15=30 Marks)

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Third Semester B.Com. Degree Examination, December 2017
First Degree Programme under CBCSS
Core Course : CO 1342/CC 1343
COMPANY ADMINISTRATION
(Common for Commerce/Commerce with Computer Application)
(2014 Adm. Onwards)

Time : 3 Hours

Max. Marks : 80

SECTION - A

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

1. Define a company.
2. What is Table - A ?
3. Define Proxy.
4. What is DIN ?
5. What is certificate of incorporation ?
6. What is a resolution ?
7. What is Agenda ?
8. Who is a promoter ?
9. What is class meeting ?
10. What is annual return ?

(10×1=10 Marks)

P.T.O.

SECTION – B

Answer **any 8** questions in **not exceeding one** paragraph **each**. **Each** question carries **2** marks.

11. What is statement in lieu of prospectus ?
12. What is a company limited by guarantee ?
13. What is transmission of shares ?
14. What is doctrine of ultra-vires ?
15. What is statutory meeting ?
16. Explain the rights of a member of a company.
17. Enumerate the special privileges of a private company.
18. What do you mean by domicile clause of Memorandum of Association ?
19. Explain the content of a statutory report.
20. What is shelf prospectus ?
21. What are the advantages of incorporation ?
22. What is Annual General Meeting ?

(8×2=16 Marks)

SECTION – C

Answer **any 6** questions in about **120** words **each**. **Each** question carries **4** marks :

23. What is doctrine of indoor management ? What are its exceptions ?
24. Distinguish between a private company and public company.
25. What are the special characteristics of a company ?
26. Who is a Company Auditor ? Explain his duties.
27. What is voluntary winding up ? Explain its procedures.
28. What is Articles of Association ? What are its contents ?

29. Explain the procedure of Annual General Meeting.
30. Distinguish between Memorandum of Association and Articles of Association.
31. How the name clause of Memorandum can be altered ? **(6×4=24 Marks)**

SECTION – D

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

32. What do you mean by company meetings ? What are the requisites of a valid meeting ?
 33. What is winding up of a company ? What are the important modes of winding up ?
 34. Elaborate the provisions in Company's Act for the appointment and removal of Directors of a Company.
 35. Define Memorandum of Association. Explain in detail its different clauses. **(2×15=30 Marks)**
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Reg. No. :

Name :

Third Semester B.Com. Degree Examination, December 2017
First Degree Programme under CBCSS
CO 1361.5/CC 1341
COMPUTER APPLICATION FOR PUBLICATIONS
(Common for Commerce/Commerce with Computer Application)
(2014 Adm. Onwards)

Time : 3 Hours

Max. Marks : 80

SECTION – A

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

1. What do you mean by a turn key system ?
2. What are axis labels ?
3. What is the shortcut key used for pasting ?
4. What are plug-in pallets ?
5. What do you mean by cropping ?
6. Name two proprietary softwares.
7. What is a master slide ?
8. What is a ruler ?
9. What do you mean by control pallet ?
10. What is normal view ?

(10x1=10 Marks)

SECTION – B

Short answer questions. Answer any eight questions. Each question carries 2 marks.

11. What do you mean by Three-tier client/server ?
12. What do you mean by page break ?
13. What is Office Diagnostics ?
14. Describe the process of applying slide layout.

15. What is PDF ?
16. What are the steps involved in moving text ?
17. What is slide master ?
18. Give an account of any two free softwares.
19. Describe Rehearse timing.
20. What are the steps involved in creating a mail merge document ?
21. Describe the steps in inserting header/footer to odd/even pages.
22. What are the features of Linux operating system ? **(8×2=16 Marks)**

SECTION - C

Short essay questions. Answer **any six** questions. **Each** question carries 4 marks.

23. Describe Hyperlinks. What are the steps involved in inserting hyperlinks ?
24. Describe the features of word processing documents.
25. Explain the various types of Linux distributions.
26. Explain the steps involved in inserting an image into a page maker document.
27. Explain the various benefits using power point themes.
28. What are the different categories of free software ?
29. Describe quick styles.
30. Explain drag and drop.
31. Explain the advantages of word processing. **(6×4=24 Marks)**

SECTION - D

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

32. Discuss the steps for publication using PageMaker.
33. Give an account of formatting of charts and tables using Power point.
34. Explain the various tabs on the menu bar in a Power point presentation.
35. What are the steps in installing and working a Linux operating system ? **(2×15=30 Marks)**



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Third Semester B.Com. Degree Examination, December 2017

Career Related First Degree Programme under CBCSS

2(b) – Commerce with Computer Application

Core Course IX : CC 1343

COST ACCOUNTING

(2013 Adm.)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer all questions in **one** word to maximum of **two** sentences. Each question carries **one** mark.

Answer the following terms :

1. Cost accounting.
2. Cost audit.
3. Cost centre.
4. Sunk cost.
5. Variable overhead.
6. Process costing.
7. Direct labour cost.
8. Stores ledger.
9. Overtime.
10. Secondary distribution.

(10×1=10 Marks)

P.T.O.



SECTION – B

Answer **any 8** from 12 of the following **not** exceeding **one** paragraph. **Each** question carries **2** marks.

11. What are the functions of cost accounting ?
12. Explain the criticisms against cost accounting.
13. What are the functions of store keeper ?
14. What are the objectives of material control ?
15. Distinguish between time keeping and time booking.
16. What are the features of Merrick's differential piece rate system ?
17. Distinguish between job evaluation and merit rating.
18. How do you classify overheads on the basis of functions ?
19. What is machine hour rate ?
20. Distinguish between FIFO and LIFO.
21. State the differences between bin card and stores ledger.
22. Explain the treatment of normal idle time in cost accounts. **(8×2=16 Marks)**

SECTION – C

Answer **any 6** questions **not** exceeding **120** words. **Each** question carries **4** marks.

23. From the following transactions, prepare a stores ledger account using FIFO method.

2015 Jan.	1	Opening stock	600 units @ Rs. 14 each
	3	Purchased	300 units @ Rs. 15 each



5 Issued	500 units
7 Purchased	900 units @ Rs. 16 each
8 Issued	600 units
12 Issued	200 units
23 Purchased	400 units @ Rs. 18 each
25 Issued	500 units

24. Calculate total earnings and earnings per hour of three workers A, B and C under Rowan Scheme.

Standard time : 20 hours

Time rate : Rs. 20 per hour

Time taken : A - 16 hours, B - 10 hours, C - 8 hours.

25. Compute machine hour rate from the following data :

	Rs.
Cost of machine	2,00,000
Installation charges	20,000
Estimated scrap value after life time (15 years)	10,000
Rent and rate per month	2,000
Lighting charges per month	600
Insurance per annum	960
Repair charges per annum	2,000



Supervisor's salary per month	3,000
Power consumption	10 units per hour @ Rs. 150/100 units
Estimated working hours	2,200 per annum (includes setting up time of 200 hours)

The machine occupies $\frac{1}{4}$ th of the space in the workshop and the supervisor devotes $\frac{1}{5}$ th of his time for the machine.

26. From the following data for the month of Jan. 2010, prepare cost sheet showing cost and profit per unit.

Raw materials	Rs. 40,000
Direct wages	Rs. 25,000
Machine hours worked	9000 hours
Machine hour rate	Rs. 5 per hour
Office overheads	20% on works cost
Selling overheads	Rs. 2 per unit
Units produced	20000 units
Units sold	18000 units @ Rs. 12 per unit

27. Distinguish between cost accounting and financial accounting.
28. Explain various techniques of costing.
29. Explain ABC system of inventory control.
30. What are the causes of over/under absorption of overheads ?
31. Give note on installation of costing system.

(6×4=24 Marks)

SECTION - D

Answer any 2 questions not exceeding 4 pages each. Each question carries 15 marks.

32. The management of a manufacturing concern wants to find out the cost of 3000 units.

The cost analysis of 2000 units gives the following information.

	Rs.
Materials	90,000
Labour	50,000
Direct expenses	1,000
Factory overheads	2,000
Administrative overheads	1,600
Selling and distribution overheads	800

Further details are as follows :

- An increase of 10% is expected in the cost of raw materials and 5% in the cost of labour.
- 70% of the factory overheads are fixed and 30% are variable.
- The ratio of fixed and variable expenses in administrative overheads is 6 : 4.
- Half of the selling and distribution overheads are fixed.
- The management wishes to charge 25% profit on sales price.

Ascertain selling price.



33. A company has three production departments A, B and C and two service departments – Boiler house and Pump room. The boiler house has to depend upon the pump room for supply of water and pump-room in its turn is depended on the boiler house for supply of steam for driving the pump. The expenses incurred by the production department are A Rs. 6,00,000, B Rs. 5,25,000, C Rs. 3,75,000. The expenses for boiler house are Rs. 1,75,000 and pump room are Rs. 2,25,000.

The expenses of the boiler house and pump room are apportioned to the production departments on the following basis :

	A	B	C	Boiler house	Pump room
Boiler house	20%	40%	30%	–	10%
Pump room	40%	20%	20%	20%	–

Re-apportion the expenses of the boiler house and pump room to the production departments using repeated distribution method.

34. Star company has five departments. M, N, O and P are production departments and Q is a service department. The actual expenses for a period are as follows :

	Rs.
Rent	25,000
Repairs	35,000
Depreciation	17,500
Supervision	56,000
Welfare expenses	28,000
Insurance of stock	16,000
Employers contribution to PF	12,000
Lighting	12,500



The following details are also available in respect of the departments.

	M	N	O	P	Q
Floor area (sq.ft)	1,400	1,200	1,100	900	400
Number of workers	10	8	4	4	2
Total wages (Rs.)	1,00,000	80,000	50,000	50,000	20,000
Value of plant (Rs.)	2,00,000	1,80,000	1,60,000	1,00,000	60,000
Value of stock (Rs.)	1,50,000	1,00,000	5,00,000	20,000	-
Number of light points	15	10	10	10	5

Apportion the cost to the various departments on an equitable basis.

35. "Costing is an invaluable aid to management". Explain.

(2×15=30 Marks)
