

14 a) Describe the job costing method for an automobile industry with an example

OR

14 b) From the following data relating to a different vehicle A and B compute the cost per running mile.

Particulars	Vehicle A	Vehicle B
Mileage run (annual)	14000 miles	5000 mils
Cost of Vehicles	Rs.25000	Rs.15000
Road license (annual)	Rs.750	Rs.750
Insurance (annual)	Rs.700	Rs.400
Garage rent (annual)	Rs.600	Rs.500
Supervision and salary (annual)	Rs1200	Rs1200
Direct wages per hour	Rs3.	Rs.3
Cost or petrol /gallon	Rs.3	Rs.3
Miles run/gallon	20 miles	15 miles
Repair and maintenance charges per mile	Rs 2.65	Rs2
Tire allocation / mile	Rs.0.80	Rs.0.60
Estimated life of the vehicle	100000miles	75000miles

You are to charge interest on cost of vehicles at 7% per annum. The vehicles run 20 miles per hour on an average

15 a) XYZ Ltd have prepared the budget for the production of a 2 lakh units of the only commodity manufactured by them for a costing period as under;

	Rs
Raw material	2.52/unit
Direct Labor	0.75/unit
Direct expenses	0.10/unit
Works overheads(70%fixed)	2.50/unit
Administration overheads (60%fixed)	0.50/unit
Selling overheads (50%fixed)	0.10/unit

The actual production during the period was only 50,000 unitd. Calculate the revised budgeted cost/unit?

OR

15b) Explain the procedure adopted in variance analysis
