

Operating (Service) Costing

Time Allowed : 45 Minutes
TEST-1
Total Marks: 25 Marks

Q.1: A company runs a holiday home. For this purpose, it has hired a building at a rent of ₹ 10,000 per month alongwith 5% of total takings. It has three types of suites for its customers, viz., single room, double rooms and triple rooms. Following **information** is given:-

Types of suite	Single Room	Double Room	Triple Room
Number	100	50	30
Occupancy percentage	100%	80%	60%

The rent of double room's suites is to be fixed at 2.5 times of the single room suite and that of triple rooms suite as twice of the double rooms suites. The **other expenses** for the year 2014 are as follows:

Staff salaries -₹ 14,25,000	Laundry charges -₹ 80,500
Room attendants' wages -₹ 4,50,000	Interior decoration -₹ 74,000
Lighting, heating and power -₹ 2,15,000	Sundries -₹ 1,53,000
Repairs and renovation -₹ 1,23,500	

Provided profit @ 20% on total taking and assume 360 days in a year. You are required to calculate the rent be charged for each type of suite **(10 Marks)**

Q.2: KRM-travels owns a bus and operates a tourist service on daily basis. The bus starts from New city to Rest village and returns back to New city the same day. Distance between New city and Rest village is 250 kms. This trip operates for 10 days in a month. The bus also plies for another 10 days between New city and Shivapur and returns back to New city the same day; distance between these two places is 200 kms. The bus makes local sightseeing trips for 5 days in a month, covering a total distance of 60 kms per day. The **following data** are given: -

Cost of bus -₹ 3,50,000	Diesel consumption - 4 kms.,per litre @ ₹ 8 per litre
Depreciation - 25% per annum (running cost)	Miscellaneous charges -₹ 2,400 per annum
Driver's salary -₹ 1,200 per month	Permit fee -₹ 1,000 per month
Conductor's salary -₹ 1,000 per month	Lubricant oil -₹ 100 for every 200 kms.
Part-time clerk's salary -₹ 400 per month	Repairs and maintenance -₹ 1,500 (variable)
Insurance -₹ 1,800 per annum	Normal capacity - 50 persons

While plying to and from Rest village the bus occupies 90% of the capacity and 80% when it plies between New city to Shivapur (both ways). In the city the bus runs full capacity. GST is 20% of net takings of the Travels' firm. **Calculate** the rate to be charged to Rest village and Shivapur from New city per passenger by preparing monthly statement, if the profit required to be earned is 33% of net takings of the firm. **(10 Marks)**

Q.3: Monthly cost of running a taxi is ₹ 20,000. Total kms. run during the month = 2,500 kms.

Empty Travelling (Normal) = 500 kms.

Empty Travelling (Abnormal) = 300 kms.

Here, cost recovery rate is:-

- (a) ₹ 10 per passenger
- (b) ₹ 10 per passenger per km.
- (c) ₹ 10 per km.
- (d) ₹ 12 per km.

(1 Marks)

Q.4: In case of hotel industry, what is the meaning of occupancy Rate?

- (a) Ratio of rented (used) rooms to total available rooms.
- (b) Ratio of unrented (unused) rooms to total available rooms
- (c) Ratio of available rooms to rented rooms
- (d) Ratio of available rooms to unrented rooms

(1 Marks)

Q.5: A cinema-hall desires to generate total receipts of ₹ 3,65,00,000 during the year (365 days). Daily 4 shows are run and average 50% seats are occupied in each show. Total capacity of the cinema-hall is 500 seats. So, what should be the collection per seat per show?

- (a) ₹100
- (b) ₹50
- (c) ₹200
- (d) ₹125

(1 Marks)

Q.6:

Total kms	Total cost
20,000 kms.	₹1,00,000
25,000 kms	₹ 1,20,000

In the above situation, the variable cost per km. and fixed shall be

- (a) ₹ 4 per km. and ₹ 30,000
- (b) ₹ 5 per km. and ₹ 20,000
- (c) ₹ 4 per km. and ₹ 20,000
- (d) ₹ 5 per km. and ₹ 30,000.

(1 Marks)

Q.7: Depreciation is treated as fixed cost if it is:-

- (a) Related to Activity level
- (b) Related with machine hours.
- (c) Efflux of time
- (d) None of the above.

(1 Marks)