

Operating (Service) Costing

Time Allowed : 35 Minutes
TEST-1
Total Marks: 20 Marks
Q.1: Differentiate between Operating Costing and Operation Costing (5 Marks)
Q.2: The following information relates to a bus operator:

Cost of the bus	₹ 18,00,000
Insurance charges	3% p.a.
Manger –cum accountant's salary	₹ 8,000 p.m.
Annual Road Tax	₹ 50,000
Garage rent	₹ 2,500 p.m.
Repairs during the year	₹ 1,50,000
Expected life of the bus	15 years
Scrap value at the end of 15 years	₹ 1,20,000
Driver's salary	₹ 15,000 p.m.
Conductor's salary	₹ 12,000 p.m.
Stationery	₹ 500 p.m.
Engine oil (for 1200 kms.)	₹ 2,500
Diesel Cost (for 10 kms.)	₹ 52
Commission to driver and conductor (shared equally)	10 % of collections
Route distance	20 km long

The bus will make 3 round trips for carrying on the average 40 passengers in each trip. Assume 15% profit on collections. The bus will work on the average 25 days in a month. Calculate fare per passenger-km. Prepare Operating Cost Statement on annual basis.

(10 Marks)

Q.3 A bus started from Delhi for Mussoorie with 50 passengers on board, 20 passengers got off at Dehradun and the bus proceeded with the remaining passengers. In the evening the same bus left Mussoorie with 50 passengers. 10 passengers got off at Dehradun and the bus resumed its journey with remaining passengers for Delhi.

The distance between Delhi and Dehradun is 280 kms and between Dehradun and Mussoorie is 20 kms. Compute the cost per Passenger-km, if the total cost of running the bus for this trip is ₹5,000.

(5 Marks)