

KAMARAJ COLLEGE (Autonomous)

Accredited with A+ Grade by NAAC

(Affiliated to Manonmaniam Sundaranar University, Tirunelveli)

(6 Pages)

Reg. No:.....

Question Code: 26E00708

Course Code: 24PMCO32

PG Degree - End Semester Examinations, April 2026

Third Semester

M.COM

Applied Costing

(For those who joined in July 2024 onwards)

Time: 3Hours

Maximum: 75 Marks

PART - A (10 × 1 = 10 Marks)

Answer ALL Questions

Choose the correct answer:

- CO:1 1. Cost Accounting is a Techniques of ____
K:1 (a) Auditing (b) Ascertainment of cost
(c) Financing (d) Contracting
- CO:1 2. Material control involves ____
K:1 (a) Consumption of material (b) Issue of material
(c) Purchase of materials (d) Purchase, storage and issue of materials
- CO:2 3. Labour turnover is ____
K:1 (a) Productivity of labour (b) Efficiency of labour
(c) Change in labour force (d) Efficiency of skilled Person
- CO:2 4. Appropriate basis for apportionment of material handling charges is ____
K:1 (a) Material consumed (b) Material purchased
(c) Material in stock (d) Material wasted
- CO:3 5. Process costing is based on the concept of ____
K:1 (a) Average cost (b) Marginal cost
(c) Standard cost (d) Differential cost

- CO:3 6. Inter process profits are _____
K:1 (a) Credited to each process (b) Debited to the respective process accounts
(c) Shown in the balance sheet (d) shown only in the finished stock A/c
- CO:4 7. Contribution is _____
K:1 (a) Excess of sales over total cost (b) Excess of cost of sales over sales
(c) Excess of sales over fixed cost (d) Excess of sales over variable cost
- CO:4 8. A key factor is _____
K:1 (a) Budget factor (b) Limiting factor
(c) Cost factor (d) Profit factor
- CO:5 9. Cost reduction focuses on _____
K:1 (a) Maintaining standards (b) Achieving predetermined targets
(c) Challenging existing standards (d) Increasing inventory
- CO:5 10. Accounting for price level changes is necessary because of _____
K:1 (a) Inflation (b) Deflation only
(c) Stable prices (d) Overproduction

PART - B (5 X 5 = 25 Marks)

Answer ALL Questions choosing either (a) or (b).

Answer should not exceed 250 words.

- CO:1 11. (a) State the significance of cost accounting.

K:2

(OR)

- (b) What are the essentials of good costing system?

- CO:1 12. (a) Explain the types of labour cost.

K:3

(OR)

- (b) In a factory worker are paid at Rs.50 per hour. During the month of April 2020, there were 25 working days of 8 hours each.

There is also a 'piece work plan' where in Rs.10 is to be paid per piece produced.

During the month worker 'X' produced on average 48 pieces per working day. Ascertain the wages of worker 'X' under

- a) Time wages
- b) Piece wages

CO:2 13. (a) Distinguish between joint costing and process costing.

K:2

(OR)

(b) Prepare process 'X' account from the following:

Input 100 units at Rs.20 each; wages Rs.3,300; overheads Rs.1000. Normal loss expected 10% which has no scrap value.

CO:2 14. (a) Varshan Ltd. presents the following results for one year. Calculate the P/V Ratio, BEP and Margin of safety.

K:1

	Rs.
Sales	2,00,000
Variable costs	1,20,000
Fixed cost	50,000
Net profit	30,000

(OR)

(b) When do you advise a plant to 'Shut down'?

CO:3 15. (a) Distinguish between cost control and cost reduction.

K:3

(OR)

(b) List out the objectives of responsibility accounting.

PART - C (5 X 8 = 40 Marks)

Answer ALL Questions choosing either (a) or (b).

Answer should not exceed 600 words.

CO:3 16. (a) Explain the differences between Financial accounting Vs Cost accounting.

K:2

(OR)

- (b) From the following particulars prepare the stores ledger by adopting First in First Out method.

2020 march 1	Purchased 300 units at Rs.2 per unit
2	Purchased 600 units at Rs.3 per unit
5	Issued 400 units
8	Issued 400 units
10	Purchased 600 units at Rs.5 per unit
12	Issued 400 units

- CO:4 17. (a) Discuss the classification of overheads.

K:3

(OR)

- (b) Calculate the overhead allocable to production departments A and B from the following:

There are two services departments X and Y. X renders service to A and B in the ratio of 3:2 and Y renders service to A and B in the ratio of 9:1. Overhead as per primary overhead distribution is :

A-Rs.49,800

B-Rs.29,600

X-Rs.15,600

Y-Rs.10,800

- CO:4 18. (a) Suman industries produces a product which passes through two processes I and II and then to finished stock. It is ascertained that in each process 5% of the total weight put in is lost and 10% is scrap which realises Rs.5 per ton and Rs.15 per ton respectively in processes I&II. The following details are available.

K:2

	Process I	Process II
Materials consumed in tons	2,000	140
Cost of materials per ton Rs.	200	300
Wages Rs.	20,000	15,000
Manufacturing expenses Rs.	6,000	5,000

Prepare process accounts showing the cost of the output of each process and cost per ton.

(OR)

- (b) The following details are available in respect of processes 'A' and 'B' for May 2020.

	Process A	Process B
	Rs.	Rs.
Materials consumed	50,000	10,000
Wages	20,000	30,000
Overheads	10,000	10,000

Process 'A' transfers its output to process 'B' at a profit of 20% on transfer price and process 'B' transfers its product to finished stock at 20% on cost. The finished goods are sold for Rs.2, 00,000. Prepare the process accounts, finished stock account and profit and loss account showing the total profit for the month, assuming the sundry expenses were Rs.20,000, which were not apportioned to the processes.

- CO:5 19. (a) The sales turnover and profit during two years were as follows:

Year	Sales	Profit
	Rs.	Rs.
2017	1,40,000	15,000
2018	1,60,000	20,000

Calculate:

- P/V Ratio
- Break – even point
- Sales required earning a profit of Rs.40, 000
- Fixed expenses and
- Profit when sales are Rs.1, 20,000

(OR)

- (b) An automobile manufacturing company finds that the cost of making Part No.208 in its own workshop is Rs.6.The same part is available in the market at Rs.5.60 with an assurance of continuous supply. The cost data to make the part are :

Material	Rs.2
Direct labour	Rs.2.50
Other variable costs	Rs.0.50
Fixed cost allocated	Re.1
	<hr/>
	Rs.6
	<hr/>

a)Should the part be made or bought?

b) Will your answer be different if the market price is Rs.4.60?

Show your calculations clearly.

- CO:5 20. (a) Describe the various types of responsibility centres with examples.
K:3

(OR)

- (b) Explain the methods of accounting for price level changes.