

Reg. No. :

**Code No. : 31075 E Sub. Code : EMPA 51/
EMBF 51/EMBE 51/
EMCR 51**

**B.Com. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2025.**

Fifth Semester

**Professional Accounting / Banking and Finance /
Banking and E-Commerce / Corporative Secretaryship**

COST ACCOUNTING

(For those who joined in July 2023 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL the questions.

Choose the correct answer :

1. Prime cost plus Factory overheads is known as _____.
- | | |
|-------------------|-------------------|
| (a) Cost of sales | (b) Works cost |
| (c) Total cost | (d) Marginal cost |

2. An example of a variable cost is
- (a) Depreciation
 - (b) Labour cost
 - (c) Insurance on machinery
 - (d) Manager's salary
3. A purchase requisition is prepared by
- (a) Store Keeper
 - (b) Supplier
 - (c) Foreman
 - (d) Purchase Manager
4. Which of the following is an accounting record?
- (a) Stores ledger
 - (b) Bin card
 - (c) Bill of materials
 - (d) All of these
5. In which of the following incentive plans of wage payment, wages on time basis are not guaranteed?
- (a) Gantt's task and bonus system
 - (b) Hasley plan
 - (c) Rowan plan
 - (d) Taylor's differential piece rate system

6. Administration overheads are recovered as a percentage of
- (a) Works cost
 - (b) Prime cost
 - (c) Direct materials
 - (d) Direct wages
7. Input in a process is 8,000 units and normal loss is 20%; when finished output in the process is only 6,480 units, there is an
- (a) Abnormal gain of 80 units
 - (b) Abnormal loss of 80 units
 - (c) Neither abnormal loss nor abnormal gain
 - (d) None of these
8. In process costing, cost follows
- (a) Finished goods
 - (b) Product flow
 - (c) Price rise
 - (d) Price decline
9. Electricity generating company should employ
- (a) Process costing
 - (b) Multiple costing
 - (c) Operating costing
 - (d) Output costing
10. Most of the expenses are direct in
- (a) Job costing
 - (b) Batch costing
 - (c) Contract costing
 - (d) Process costing

PART B — (5 × 5 = 25 marks)

Answer ALL the questions, by choosing (a) or (b).

11. (a) What is cost sheet? What are its purposes?

Or

- (b) Ascertain cost of production from the following :

Materials	Rs. 10,000
Wages	Rs. 5,000
Direct Expenses	Rs. 1,000
Factory overhead	125% of wages
Office overhead	20% on works cost

12. (a) Calculate maximum level and minimum level from the following :

Reorder quantity	1,500
Reorder period	4 to 6 weeks
Maximum consumption	400 units
Normal consumption	300 units
Minimum consumption	250 units

Or

Page 4 Code No. : 31075 E

- (b) Compute EOQ from the following :

Annual consumption of materials	6,000 units
Ordering cost	Rs. 60 per order
Price per unit	Rs. 20
Carrying cost per annum	10%

13. (a) From the following data, prepare a statement showing the cost per man-day of eight hours :

- Basic salary and dearness allowance : Rs. 300 per month.
- Leave salary to the workman : 6% of the basic and D.A.
- Employer's contribution to P.F. : 6% of (a) and (b).
- Employee's contribution to P.F. : 6% of (a) and (b).
- Pro rate expenditure on amenities to labour : Rs. 25 per head per month.
- Number of working hours in a month : 200.

Or

Page 5 Code No. : 31075 E

- (b) The following particulars are related to the production department of a factory for the month of June 2021 :

Materials used	Rs. 40,000
Direct wages	Rs. 36,000
Factory overhead charges allocated to the department	Rs. 45,000
Direct labour hours worked	10,000
Hours of machine operation	12,500

Cost data of a particular work carried out in the above department during June are given below :

Materials used	Rs. 4,000
Direct wages	Rs. 3,125
Labour hours booked	1,650
Machine hours booked	1,200

What would be the factory cost of the work order under the following methods of charging overheads : (i) Direct labour cost rate ; (ii) Machine hour rate and (iii) Direct labour hour rate.

14. (a) Explain the features of process cost accounting.

Or

- (b) The following expenses were incurred for the production of 1,500 units of a durable product :

	Rs.
Materials	3,50,000
Wages	1,20,000
Overheads	80,000

Normal wastage in the process is 2% of the input and the scrap value is Rs. 300 per unit. You are required to prepare process account, assuming there was no abnormal loss or gain.

15. (a) Prepare of statement of reconciliation from the following :

Net loss as per cost accounts Rs. 34,500

Net loss as per financial accounts Rs. 36,340

Works overhead under recovered in costing Rs. 6,240

Administration overhead recovered in excess
Rs. 3,400

Goodwill written off Rs. 5,000

Interest on investment not included in
costing Rs. 6,000

Or

(b) The following particulars relate to a
contract :

	Rs.
Materials issued	42,000
Wages	30,000
Direct expenses	25,000
Materials on hand at end	2,000
Work certified	1,60,000
Work uncertified	15,000
Contract price	3,00,000
Cash received	1,20,000

Prepare Contract Account.

PART C — (5 × 8 = 40 marks)

Answer ALL the questions; by choosing either (a) or (b).

16. (a) Briefly explain the different methods of
costing. State the industries to which they
can be applied.

Or

(b) Calculate (i) Prime cost; (ii) Factory cost;
(iii) Cost of production; (iv) Cost of sales and
(v) Profit from the following particulars :

	Rs.
Direct materials	1,00,000
Direct wages	25,000
Direct expenses	5,000
Wages of foreman	2,500
Electric power	500
Lighting :	
Factory	1,500
Office	500

	Rs.
Rent :	
Factory	5,000
Office	2,500
Salaries to salesmen	1,250
Advertising	1,250
Income tax	10,000
Sales	1,89,500

17. (a) The following information is provided by Coorg Coffee Manufacturing unit for the fortnight of April 2013.

Material – A

Stock on	1-4-2013	100 units at Rs. 5 per unit
Purchases :	5-4-2013	300 units at Rs. 6 per unit
	8-4-2013	500 units at Rs. 7 per unit
	12-4-2013	600 units at Rs. 8 per unit
Issues :	6-4-2013	250 units
	10-4-2013	400 units
	14-4-2013	500 units

Calculate the value of materials consumed during the period under LIFO method.

Or

Page 10 Code No. : 31075 E

- (b) Two components A and B are used as follows :

Re-order quantity : A : 3,000 units :
B : 4000 units

Re-order period : A : 4 to 6 weeks; B : 2 to 4 weeks

Normal usage : 3,000 units per week each

Minimum usage : 1,500 units per week each

Maximum usage : 4,500 units per week each

Calculate :

- (i) Re-order level; (ii) Maximum level;
(iii) Minimum level; (iv) Average stock level.

18. (a) Calculate the earnings of workers A and B under Straight piece rate system and Taylor's differential piece rate system from the following particulars :

Normal rate per hour Rs. 1.80

Standard time per unit 20 seconds

Differential rates to be applied :

80% of piece rate below standard

120% of piece rate at or above standard

Worker A produced 1,300 units and worker B produced 1,500 units per day of 8 hours.

Or

Page 11 Code No. : 31075 E

- (b) A company has three production departments and two service departments. For the period ended 31st Dec. 2013, the departmental distribution summary has the following totals :

Production Departments	Rs.
P ₁	3,200
P ₂	2,800
P ₃	2,000
Service Departments	
S ₁	800
S ₂	<u>1,200</u>
	<u>10,000</u>

The Service Departments cost are proposed to be charged on percentage basis as given below :

	P1	P2	P3	S1	S2
S1	20%	40%	30%	—	10%
S2	40%	20%	20%	20%	—

You are required to show the apportionment of service departments overheads by simultaneous equation method.

19. (a) A particular brand of scent passed through three important processes. During the week ended 15.1.2013, 600 bottles were produced. The cost books show the following information :

	Process A	Process B	Process C
	Rs.	Rs.	Rs.
Materials	4,000	2,000	1,500
Labour	3,000	2,500	2,300
Direct expenses	600	200	500
Cost of bottles	—	2,030	—
Cost of corks	—	—	325

The indirect expenses for the period were Rs. 1,600 (indirect expenses are charged on labour basis)

The by-products were sold for Rs. 240 (Process B)

The residue was sold for Rs. 125.50 (Process C)

Prepare the accounts in respect of each of the processes, showing its cost and cost of production of the finished product per bottle.

Or

- (b) From the following figures, show the cost of the three processes of manufacture. The production of each process is passed on to the next till completion.

	Process		
	A	B	C
	Rs.	Rs.	Rs.
Wages and Materials	60,800	24,000	58,500
Works on cost	11,200	10,500	12,000
Production (in units)	72,000	75,000	96,000
Stock (units from preceding process 1st July 2005)	—	8,000	33,000
Stock (units from preceding process 31st July 2005)	—	2,000	11,000

20. (a) Following information relates to a contract for Rs. 15,00,000 of Sony Construction Ltd. The contractee pays 90% of value of work certified to the contractor.

	2010	2011	2012
	(Rs.)	(Rs.)	(Rs.)
Materials	1,80,000	2,20,000	1,26,000
Wages	1,70,000	2,30,000	1,70,000

Page 14 Code No. : 31075 E

	2010	2011	2012
	(Rs.)	(Rs.)	(Rs.)
Indirect expenses	3,000	4,000	—
Work certified	3,50,000	11,30,000	15,00,000
Work uncertified	—	20,000	—
Plant	20,000	—	—
Direct expenses	7,000	25,000	9,000

The value of plant at the end of 2010, 2011 and 2012 was Rs. 16,000, Rs. 10,000 and Rs. 4,000 respectively.

Prepare contract account for three years in the books of Sony Construction Ltd.

Or

- (b) Prepare a reconciliation statement from the following data :

	Rs.
Net profit as per financial books	63,780
Net profit as per cost book	66,760
Factory overheads under-recovered in costing	5,700
Administrative overheads recovered in excess	4,250
Depreciation charged in financial books	3,660
Depreciation recovered in costing	3,950
Interest received but not included in costing	450

Page 15 Code No. : 31075 E

	Rs.
Income tax provided in financial books	600
Bank interest credited in financial books	230
Stores adjustments (credited in financial books)	420
Depreciation of stock charged in financial books	860
Dividend appropriated in financial books	1,200
Loss due to pilferage provided only in financial books	260
