Reg. No .... Name **25U524**

B.COM. DEGREE END SEMESTER EXAMINATION - OCTOBER 2025

SEMESTER 5 : COMMERCE

COURSE : **19U5CRCOM17 : COST ACCOUNTING**

(For Regular 2023 Admission and Supplementary 2022/2021/2020/2019/2018/2017/2016 Admissions)

Time : Three Hours Max. Marks: 75

PART A

Answer any 10 (2 marks each)

1. Calculate EOQ from the following :
   a) Consumption during the year = 600 units
   b) Ordering cost Rs: 12 per order
   c) Carrying cost 20%
   d) Price per unit Rs: 20
2. From the following particulars find the **amount of cash required for payment of wages** in a factory for the month of April 2014

1. Wages for normal hours worked.	2,05,000
2. Wages for overtime.	22,000
3. Leave wages.	17,000
4. Deduction of employees share to ESI contribution	5,000
5. Employees contribution to Provident Fund.	16,000
6. House rent to be recovered from employees.	3,000

3. List three types of work where time wage system is suitable.
4. What is blanket rate?
5. What is Cost estimation?
6. XYZ company uses historical cost system and applies overheads on the basis of pre-determined rates. The following data are available from the records of the company for the year 31-3-2020:

Particulars	Amount
Manufacturing overhead	8,50,000
Manufacturing overhead absorbed	7,50,000
Work-in-progress	2,40,000
Finished goods stock	4,80,000
Cost of goods sold	16,80,000

Calculate the overheads under/over-absorbed

7. State the various items which may appear in financial accounts but not in cost accounts.
8. What is Sunk cost?
9. Distinguish between Cost centre and Cost unit.
10. Ascertain the prime cost from the following:

Direct wages	50,000
Chargeable expenses	5,000
Opening stock of raw materials	10,000
Raw materials bought during the period	60,000
Closing stock of raw materials	20,000
Carriage inwards	1,500
Carriage outwards	2,000
Raw materials returned to supplier	1,500

11. What is Notional cost?

12. What is two bin system?

(2 x 10 = 20)

PART B

Answer any 5 (5 marks each)

13. A skilled worker in XYZ Ltd. Is paid a guaranteed wage rate of Rs. 30 per hour. The standard time per unit for a particular product is 4 hours. Mr. P, a machine man, has been paid wages under the Rowan Incentive Plan and he had earned an effective hourly rate of Rs. 37.50 on the manufacture of that particular product. What could have been his total earnings and effective hourly rate, had he been out on Halsey Incentive Scheme (50%)?

14. State the limitations of financial accounting.

15. From the following information , calculate maximum , minimum and average stock levels.

Normal consumption per day	500 kg
Maximum consumption per day	800 kg
Minimum consumption per day	200 kg
Lead time	10 to 16 days
Re-order quantity	3000 kg

16. From the following information, prepare a Statement of Cost and Profit for the month of June 2018.

	June 1, 2018	June 30, 2018
	₹	₹
Stock of raw materials	1,00,000	1,23,500
Stock of finished goods	71,500	42,000
Work-in-progress	31,000	34,500
Transactions during the year were-		
Purchase of raw materials	88,000	
Direct wages	70,000	
Factory expenses	39,500	
Administration expenses	13,000	
Sale of scarp	2,000	
Selling and Distribution expenses	15,000	
Sales	2,84,000	

17. What is inventory control? State its objectives.

18. In a machine department of a factory there are five identical machines. From the particulars given below; prepare the machine hour rate for one of the machines.

Space of the department	10,000 sq. mts.
Space occupied by the machine	2,000 sq. mts.
Cost of the machine (`)	20,000
Scrap value of the machine (`)	300
Estimated life of the machine	13 years
Depreciation charged at	7 ½ % p. a
Normal running of the machine	2,000 hours
Power consumed by the machine as shown by the meter	3,000 p. a
Estimated repairs and maintenance throughout the working life of the machine (`)	5,200
Sundry supplies including oil, waste etc. charged direct to the machine amount to	600 p.a.

Other expenses of the department are:

Rent and Rates	9,000
Lighting (to be apportioned according to workers employed)	400
Supervision	1,250
Other charges	5,000

It is ascertained that the degree of supervision required by the machine is 2/5th and 3/5th being devoted to other machines.

There are 16 workers in the department of whom 4 attended to the machine and the remaining to the other machines.

19. What is Halsey Premium Plan? State its features, merits and demerits. Also compare it with Rowan Plan.

20. What is classification of overhead on the basis of variability?

(5 x 5 = 25)

PART C

Answer any 3 (10 marks each)

21. Sumit Company has five departments. P, Q, R and S are production departments and T is a service department. The actual expenses for the period are as follows:

Repairs	3,500
Rent	2,500
Depreciation	1,750
Supervision	5,600
Insurance of stock	1,600
Employer's contribution to PF	1,200
Lighting	1,250

The following are other information

	Dept. P	Dept. Q	Dept. R	Dept. S	Dept. T
Floor area-sq. ft	140	120	110	90	40
Number of workers	5	4	2	2	1
Direct wages (Rs)	10000	8000	5000	5000	2000
Value of plant (Rs)	20000	18000	16000	10000	6000
Value of stock (Rs)	15000	10000	5000	2000	-

Apportion the costs to the various departments on an equitable basis.

22. The Modern Radio Co. Which commenced business on 1st April 2019 sets before you the following and ask you to prepare a statement showing profit per radio sold (charging labour and materials at actual cost) : Works overhead at 100% on labour and office overhead at 25% on works cost and a statement showing the reconciliation between the profit as shown by the cost account and the profit as shown by the profit and loss account for the year ended 31-03-2020. Two grades of radios are manufactured on 31st March 2020 and the number of radios sold during the year was ; **'Janta'** 160 units and **'Delux'** 95 units. The particulars given as follows

	Janta	Delux
Average cost of materials per radio	28	32
Average cost of labour per radio	48	58
Selling price per radio	180	240

The work expenses were Rs.16,800 and the office expenses were Rs.6,220

23. Explain the methods and techniques of Cost Accounting.

24. The Cost of manufacturing 5000 units of a commodity comprises Material cost Rs. 40,000, wages Rs. 50,000 Direct expenses Rs. 800, Variable OverHead Rs. 8000 and fixed OverHead Rs. 32,000. For the manufacturing of every 1000 extra units of the commodity, the cost of production increases as follows:
   a. Fixed OverHead Rs. 400 extras
   b. Direct expenses proportionately
   c. Wages 10% less than proportionately
   d. Materials proportionately
   e. Variable OverHead 25% less than proportionately.

   Calculate the estimated cost of producing 8,000 units of the commodity.

25. From the following particulars write up the priced Stores Ledger under Last-In-First-Out December

Dec 1	Stock in hand 500 units at Rs 20
Dec 3	Issued 200 units
Dec 3	Purchased 150 units at Rs 22
Dec 4	Issued 100 units
Dec 5	Purchased 200 units at Rs 25
Dec 6	Issued 300 units
Dec 6	Returned to store 10 units (Issued on 4th Dec)
Dec 7	Issued 100 units
Dec 8	Issued 50 units

On 10th it was noticed that there is a shortage of 10 units.

(10 x 3 = 30)