

(FOR THE CANDIDATES ADMITTED
DURING THE ACADEMIC YEAR 2024 ONLY)

24UBI409

REG.NO. :

N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI

END-OF-SEMESTER EXAMINATIONS : APRIL - 2026

B.Com.- BANKING & INSURANCE

MAXIMUM MARKS: 75

SEMESTER: IV

TIME : 3 HOURS

**PART - III
COST ACCOUNTING**

SECTION – A

(10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS.

MULTIPLE CHOICE QUESTIONS.

(K1)

1. Which of the following is NOT an element of cost?
a) Material b) Labour c) Overheads d) Profit
2. EOQ refers to: _____.
a) Economic Order Quantity b) Estimated Order Quantity
c) Emergency Order Quantity d) Equal Order Quantity
3. Which Industry commonly uses process costing?
a. Ship Building Industry b. Cement Industry c. Construction Industry d. Furniture Manufacturing
4. Halsey and Rowan plans are examples of: _____.
a) Time wage system b) Piece wage system c) Incentive schemes d) Bonus-free systems
5. Contract costing is suitable for: _____.
a) Continuous production b) Short-term production c) Long-term specific jobs d) Retail business

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES.

(K2)

6. What is a cost sheet?
7. Define ABC analysis.
8. Define labour cost.
9. What is abnormal gain?
10. State any two features of contract costing.

SECTION – B

(5 X 5 = 25 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K3)

11. a) Calculate Prime Cost and Works Cost from the following details:

Direct Material: ₹30,000
Direct Labour: ₹20,000
Direct Expenses: ₹5,000
Factory Overheads: ₹15,000

(OR)

- b) Explain the meaning and scope of Cost Accounting.

(CONTD.....2)

- 12.a) From the following information, calculate the issue price of materials using the Weighted Average Method.

Opening Stock: 100 units @ ₹20
 Purchases: 200 units @ ₹22
 Material Issued: 150 units

(OR)

- b) Calculate the value of material issued using FIFO method from the following data:

Opening Stock: 100 units @ ₹10
 Purchases: 200 units @ ₹12
 Material Issued: 250 units

- 13.a) A worker works for 48 hours in a week. The wage rate is ₹50 per hour. Calculate the total wages payable under the Time Rate System. A worker produced 100 pieces per Day. Piece rate is Rs.500. Calculate the total wages payable under the Piece Rate System.

(OR)

- b) Explain the features of Time Rate and Piece Rate systems of wage payment.

- 14.a) A process introduced 2,000 units at a total cost of ₹40,000.

Normal loss is 5%.

Actual output is 1,850 units.

Calculate the value of abnormal loss, assuming no scrap value..

(OR)

- b) A process uses 1,000 units of raw material at a cost of ₹10 per unit.

Normal loss is 10%. Calculate the cost per unit of good output, assuming no scrap value.

- 15.a) Profit as per Cost Accounts is ₹1,20,000.

Over-absorption of overheads amounted to ₹10,000.

Under-valuation of closing stock in Cost Accounts amounted to ₹5,000.

Prepare a Reconciliation Statement to find Profit as per Financial Accounts.

(OR)

- b) Show the features of Contract Costing.

SECTION – C

(5 X 8 = 40 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K4 (Or) K5)

16. a) From the following particulars, prepare a Cost Sheet showing Prime Cost, Works Cost, Cost of Production, Cost of Sales, and Profit.

Opening Stock of Raw Materials: ₹30,000

Purchases of Raw Materials: ₹2,40,000

Closing Stock of Raw Materials: ₹20,000

Direct Wages: ₹1,20,000

Direct Expenses: ₹15,000

Factory Overheads: 50% of Direct Wages

Office & Administrative Overheads: 10% of Works Cost

Selling & Distribution Overheads: ₹40,000

Sales: ₹6,00,000

(OR)

- b) Compare Cost Accounting with Management accounting .

- 17.a) The received side of the Stores Ledger Account shows the following particulars:
 Jan. 1 Opening Balance: 500 units @ ₹4
 Jan. 5 Received from vendor: 200 units @ ₹4.25 Jan.12 Received from vendor: 150 units @ ₹4.10
 Jan.20 Received from vendor: 300 units @ ₹4.50 Jan.25 Received from vendor: 400 units @ ₹4
 Issues of material were as follows:
 Jan. 4- 200 units;
 Jan.10- 400 units;
 Jan. 15- 100 units;
 Jan 19- 100 units;
 Jan.26- 200 units;
 Jan.30- 250 units.
 Issues are to be priced on the principle of "First In First Out". Write the Stores Ledger Account in respect of the materials for the month of January.

(OR)

- b) Minimum consumption 240 units per day
 Maximum consumption 420 units per day
 Normal consumption 300 units per day
 Re order quantity 3600 units
 Re order period 10-15 days
 calculate 1) Maximum stock level
 2) Minimum stock level
 3) Reorder level
- 18.a) Srikar & Co. produce a product through two process 'J' and 'K'. Prepare the process accounts from the following details relating to March 2006.

Particulars	Process 'J'	Process 'K'
Material	45,000	15,000
Labour	60,000	25,000
Chargeable expenses	5,000	10,000

The overheads amounting to ₹ 17, 000 one to apportioned on the basic of labor.

(OR)

- b) Summarise the various classifications of Overheads.
- 19.a) Product 'A' passed through three distinct processes. The product is transferred to finished stock after the third process. Prepare the process accounts from the information given below:

	Process I	Process II	Process III
Direct material	4,000	600	550
Direct labor	1,500	1,600	900
Direct expenses	650	400	-----

Total production overheads during the period were ₹ 6,000. It is to be apportioned to different processes on the basis of 150 % of direct labour. There was no opening or closing stock. Production during the period was 200 units.

(OR)

19 b) A product passes through Process I and Process II. The following information is available for the month of January 2026

Process I

- Units introduced: **10,000 units**
- Cost of raw materials: **₹1,00,000**
- Direct wages: **₹40,000**
- Factory overheads: **₹20,000**
- Normal loss: **10% of input**
- Scrap value of normal loss: **₹2 per unit**
- Actual output: **9,200 units**

Process II

- Units received from Process I: **9,200 units**
- Additional materials: **₹50,000**
- Direct wages: **₹30,000**
- Factory overheads: **₹10,000**
- Normal loss: **5% of input**
- Scrap value of normal loss: **₹5 per unit**
- Closing stock: **500 units** (100% materials, 50% wages and overheads)
- Actual output transferred to finished stock: **8,300 units**

By using the above informations,

1. Prepare **Process I Account**
2. Prepare **Process II Account**
3. Show **Normal Loss and Abnormal Loss Accounts**

20.a) Explain the Importance of preparing Reconciliation Statement.

(OR)

b) The following information is available.

Particulars	Amount (₹)
Profit as per Cost Accounts	2,50,000
Factory overheads under-absorbed in cost accounts	15,000
Administrative overheads over-absorbed in cost accounts	10,000
Interest received (recorded in financial accounts only)	20,000
Loss on sale of fixed assets (financial accounts)	12,000
Preliminary expenses written off (financial accounts)	8,000
Stock over-valued in cost accounts	5,000

Prepare a Reconciliation Statement
