

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

24UCC409

REG.NO. :

**N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI**  
**END-OF-SEMESTER EXAMINATIONS : MAY - 2026**  
**B.Com.-C.A** **MAXIMUM MARKS: 75**  
**SEMESTER: IV** **TIME : 3 HOURS**

**PART - III**  
**COST ACCOUNTING**

**SECTION- A (10 X 1 = 10 MARKS)**

**ANSWER THE FOLLOWING QUESTIONS.**

**K1**

**MULTIPLE CHOICE QUESTIONS.**

- Cost accounting was developed due to the\_\_\_\_\_.  
a) limitations of financial accounting                      b) advantages of management accounting  
c) simplicity of human resource accounting              d) ease of double entry accounting
- Which inventory valuation method assumes the oldest stock is issued first?  
a) LIFO              b) FIFO              c) Weighted average              d) Simple average
- Name in which system are wages paid at a fixed rate per hour or day?  
a) Piece rate              b) Rowan plan              c) Halsey plan              d) Time rate
- Normal loss in process costing is\_\_\_\_\_.  
a) unexpected spoilage              b) abnormal gain              c) loss under efficient conditions              d) scrap value only
- Job costing differs from batch costing because \_\_\_\_\_.  
a) a job becomes the cost unit    b) process is the cost unit  
c) contract spans multiple years    d) no overheads are allocated

**ANSWER THE FOLLOWING IN ONE OR TWO SENTENCES.**

**K2**

- Relate the meaning of Prime Cost.
- Define EOQ.
- Differentiate time rate from piece rate system.
- Relate abnormal loss in process costing.
- Explain Why reconciliation of cost accounts and financial accounts is necessary.

**SECTION- B (5 X 5 = 25 MARKS)**

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

**K3**

11. a) Demonstrate the Elements of Cost.

**OR**

- b) "Cost accounting is an aid to management " – Comment

12. a) Compute Economic Order Quantity:

Annual Requirements	3,600 units
Cost of placing and receiving one order	Rs. 10
Annual carrying and storage cost	Rs. 20 p.u.

**OR**

- b) Examine the techniques of inventory control

13. a) Compute the total earnings and the rate earned per hour of three workmen under the Rowan plan.

Standard Time	20 hours
Hourly rate of wages	Rs. 4
Time taken by A	16 hours;
Time taken by B	10 hours;
Time taken by C	8 hours.

**OR**

- b) Sketch the process of primary and secondary distribution of overheads.

**(CONTD.....2)**

14. a) Find Process Account from the following:

Materials issued 1,000 kg. @ Rs. 125  
 Wages Rs. 28,000  
 Overheads Rs. 8,000  
 Normal loss 5% of input  
 Output 900 kgs.

**OR**

b) Interpret the general principles in preparing process costing.

15. a) The following was the expenditure on a contract for Rs. 12,00,000 commenced in January.

	Rs.
Materials	2,40,000
Wages	3,28,000
Plant	40,000
Overheads	17,200

Cash received on account of the contract up to 31<sup>st</sup> December was Rs. 4,80,000 being 80% of the work certified. The value of materials in hand was Rs. 20,000. The plant had undergone 20% depreciation. Prepare Contract Account.

**OR**

b) State the characteristics of Job Costing with suitable examples.

**SECTION -C (5 X 8 = 40 MARKS)**

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

16. a) The following data relate to the manufacture of a product during the month of January 2025.

Raw materials consumed	Rs. 80,000
Direct wages	Rs. 48,000
Machine hours worked	8,000
Machine hour rate	Rs. 4
Office overheads	10% of works cost
Selling overheads	Rs. 1.50 per unit
Units produced	4,000
Units sold	3,600 @ Rs. 50 each

Prepare a Cost sheet and show a) cost per unit and b) profit for the period.

**OR**

b) Explain the relationship between Cost Accounting and Financial Accounting.

17. a) Record the following transactions in Stores Ledger, pricing the materials under FIFO method:

May	1	Balance 50 units at Rs. 25 per unit
	3	Received 300 units at Rs. 30 per unit
	5	Issued 200 units
	7	Issued 120 units
	8	Received back 10 units (issued on 7 <sup>th</sup> May)
	10	Returned to Vendor 15 units purchased on 3 <sup>rd</sup> May
	15	Received 200 units at Rs. 32
	18	Issued 150 units
	19	Issued 50 units

The stock verified found a shortage of 10 units on 20<sup>th</sup> and left a note.

**OR**

b) Explain the procedure involved in purchasing the materials.

18. a) From the following particulars calculate the earnings of workers A and B under Taylor's differential piece rate system.

Standard time allowed 10 units per hour  
 Normal time rate per hour Re. 1 per hour  
 Differentials to be applied:  
 80% of piece rate when below standard  
 120% of piece rate at and above standard  
 In a certain day of 8 hours:  
 A produces 75 units  
 B produces 100 units

**OR**

- b) Explain the different methods of classifying overheads.  
 19. a) From the following prepare Process Accounts.

	<b>Process A</b>	<b>Process B</b>
	Rs.	Rs.
Materials consumed	12,000	6,000
Direct Labour	14,000	8,000
Manufacturing Expenses	4,000	4,000
Input in Process A units	10,000	---
Input in Process B	10,000	---
Output units	9,400	8,300
Normal wastage	5%	10%
Value of Normal wastage (per 100 units)	8	10

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

**OR**

- b) Explain the features of process costing.  
 20. a) Ascertain the profit as per the financial books from the following information.

	<b>Rs.</b>
Profit as per cost accounts	25,000
Closing stock over valued in cost books	12,500
Preliminary expenses written off	3,000
Profit on sale of building	30,000
Administrative expenses over recovered in cost books	50,375
Works overhead under recovered in cost books	30,375
Bank interest and transfer fee in financial books	5,000
Interest on investment recorded in financial books	10,000
Depreciation shown in excess in cost books	4,000
Provision made for income tax	40,000

**OR**

- b) Highlight the characteristics distinguishing Contract Costing from Job Costing.

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