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(FOR THE CANDIDATES ADMITTED DURING THE ACADEMIC YEAR 2024-25 ONLY)

SUBJECT CODE 24 UEC 412

REG.NO.

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

END-OF-SEMESTER EXAMINATIONS : MAY– 2026

B.COM.-E.COMMERCE **MAXIMUM MARKS: 75**

IV SEMESTER **TIME : 3 HOURS**

PART – III

COST ACCOUNTING

SECTION – A (10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS. (K1)

1. Which of the following best defines Cost Accounting?
   a) Accounting for all expenses and costs to ascertain the cost of production or service
   b) Accounting for revenue and profit only
   c) Accounting for cash transactions only
   d) Accounting for managerial decision-making without any cost records
2. In inventory management, EOQ (Economic Order Quantity) is used to……..
   a) Maximize purchase orders b) Minimize total inventory cost
   c) Increase stock levels d) Reduce supplier lead time
3. Which of the following is a feature of the Halsey premium plan?
   a) Fixed piece rate for each unit
   b) Worker gets no incentive for efficiency
   c) Payment depends only on time worked
   d) Bonus is shared between employer and employee based on time saved
4. Which of the following is commonly used as a basis for overhead absorption?
   a) Direct labour hours b) Cash in hand
   c) Profit margin d) Purchase orders
5. In process costing, abnormal loss refers to:
   a) Loss expected under normal operating conditions
   b) Loss due to unforeseen circumstances exceeding normal loss
   c) Cost of production only
   d) Profit from sale of scrap

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES (K2)

6. Define cost accounting.
7. Illustrate EOQ (Economic Order Quantity).
8. Differentiate between Halsey and Rowan plans.
9. Explain overhead absorption using machine hour rate.
10. Interpret abnormal loss in process costing.

SECTION – B (5 X 5 = 25 MARKS)

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

11. a) From the following data, construct a simple cost sheet and calculate the total cost of production and cost per unit for 1,000 units:
    - Direct Material: ₹50,000
    - Direct Labour: ₹30,000
    - Direct Expenses: ₹10,000
    - Factory Overheads: ₹15,000
    - Administrative Overheads: ₹5,000

(OR)

(CONTD …. 2)

11. b) Construct a simple cost sheet from given data.
Direct Material Rs.10,000
Direct Labour Rs.5,000
Direct Expenses Rs.2,000
Production Overhead Rs.3,000
Administrative Overhead Rs.2,000

12. a) Compare FIFO, LIFO, and Weighted Average methods of material valuation.

(OR)

12. b) A company has the following stock transactions for 100 units:
- Opening stock: 20 units @ ₹50 each
- Purchase 1: 40 units @ ₹55 each
- Purchase 2: 40 units @ ₹60 each

Calculate the value of closing stock and cost of materials issued using: FIFO Method

13. a) A worker's standard time is 100 hours, and he completes the work in 80 hours. His time rate wage is ₹100 per hour. Calculate his wages under:
a) Halsey 50% plan
b) Rowan plan

(OR)

13. b) Describe the different methods of labour remuneration.

14. a) Assess the significance of proper overhead allocation in cost control.

(OR)

14. b) A factory has total overheads of ₹60,000. The machine hours for different products are:
- Product A: 500 hours
- Product B: 300 hours
- Product C: 200 hours

Calculate overhead absorption rate per machine hour and overheads for each product.

15. a) Describe the importance of process costing.

(OR)

15. b) In a process, 1,000 units were input at a cost of ₹50,000. Normal loss is 5% and scrap value per unit is ₹10. Calculate:
a) Cost of normal loss
b) Cost per unit of good output

SECTION – C (5 X 8 = 40 MARKS)

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

(K4 (Or) K5)

16. a) Compare and contrast cost accounting with financial accounting and management accounting.

(OR)

16. b) From the following details you are required to prepare a production account for the three months ending 31st March assuming stock of finished goods at the end of the period to be valued at cost showing:

(CONTD …. 3)

a) Value of materials consumed
b) Works cost
c) Cost of production
d) Cost of goods sold
e) Gross profit

PARTICULARS	1.1.2020	31.12.2020
Raw materials	1,00,000	1,23,500
Finished goods	71,000	42,000
Work- in progress	31,000	34,000
Purchases of raw materials		88,000
Direct wages		70,000
Indirect wages		2,500
Works expenses		37,000
Office expenses		13,000
Selling expenses		15,000
Sales		2,75,000

17. a) From the following particulars, prepare stores ledger a/c under FIFO and LIFO method.
Jan 1 Opening balance 500 units @ ₹ 4/- per unit
4 Issued 200 units
5 Purchases 200 units @ ₹ 4.25 per unit
10 Issued 400 units
12 Purchases 150 units @ ₹ 4.10 per unit
15 Issued 100 units
19 Issued 100 units
20 Purchases 300 units @ ₹ 4.50 per unit
25 Purchases 400 units @ ₹ 4/- per unit
26 Issued 200 units
30 Issued 250 units

(OR)

17. b) Components X is used as follows:
Minimum Usage - 50 units per week
Maximum Usage - 150 units per week
Normal Usage - 100 units per week
Ordering quantity - 600 units
Delivery period - 4 to 6 weeks
Maximum Re-order period for emergency purchase – 2 weeks.
Calculate: (i) Re-ordering level, (ii) Maximum level, (iii) Minimum level

18. a) Calculate the earnings of a worker from the following information, under: a) Time Rate Method b) Piece Rate Method c) Halsey Plan d) Rowan Plan
Standard Time: 30 hours;
Time taken: 20 hours
Hourly rate of wages is ₹ 1 per hour plus a dearness allowance @ 50 paise per hour worked

(OR)

(CONTD …. 4)

b) Prabha Ltd. follows Taylor's differential piece rate system-80 and 120 being the differentials for below and above standard work.
From the following ascertain the earnings of workers P and Q.
Standard time : 15 minutes per unit.
Time worked : 8 hours
Units produced: P-25; Q-35.
Normal piece rate per unit- ₹ 2.

19. a) Classify and analyze overheads on the basis of elements, behavior, and functions.

(OR)

b) A manufacturing concern has three production departments and two service departments In July 2021, the departmental expenses were as follows:-

Production departments: A: ₹ 8,000; B: ₹ 6,500; C: ₹ 7,000.

Service departments:- X: ₹ 2,000; Y: ₹ Rs.3,000.

The service department expenses are charged out on a percentage basis, viz.,

Service depts.	A	B	C	X	Y
X	20%	25%	35%	-	20%
Y	25%	25%	40%	10%	-

Prepare a statement of secondary distribution under Repeated Distribution Method

20. a) Ajith & Co. produces a product through two processes – Process A and Process B. during April 2010, 5,000 units of finished product were produced. The following expenses were incurred:

Particulars	Process A (₹)	Process B (₹)
Materials	10,000	7,000
Direct Wages	25,000	20,000
Direct Expenses	5,000	3,000

Overhead expenses amounted to ₹45,000, which are to be apportioned on the basis of direct wages. Raw materials worth ₹40,000 were issued to Process A.

Assume the following:

- Normal loss in Process A – 10%, scrap value ₹2 per unit
- Normal loss in Process B – 5%, scrap value ₹3 per unit

Required:

1. Prepare Process A Account
2. Prepare Process B Account
3. Show the treatment of normal loss and abnormal gain, if any

(OR)

b) Examine the treatment of normal loss and abnormal loss in process costing.

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