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(FOR THE CANDIDATES ADMITTED 25UIB203

DURING THE ACADEMIC YEAR 2025-2026 ONLY) REG.NO.:

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

END-OF-SEMESTER EXAMINATIONS: MAY - 2026

B.Com (IB) **MAXIMUM MARKS: 75**

SEMESTER : II **TIME : 3 HOURS**

PART - III

25UIB203-COST AND MANAGEMENT ACCOUNTING

SECTION - A (10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS.(K1)

1. Warehouse rent is a part of -----------------------.

   a) Prime cost b) Distribution overhead

   c) Selling overhead d) Factory overhead

2. Material control involves -----------------------.

   a) Consumption of material b) Issue of material

   c) Purchase of materials d) Purchase, Storage and Issue of materials

3. Differential piece wages means ---------------------.

   a) Different wages for different levels of performance b) Wages for different times consumed

   c) Wages for time saved d) Actual wage system

4.Marginal costing is also known as --------------------.

   a) Variable costing b) Total costing

   c) Absorption costing d) standard costing

5. A flexible budget is one which --------------------.

   a) Remains fixed at all levels of activity b) Is prepared for only one level of activity

   c) Changes according to the level of activity d) Is prepared after production

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

6. Explain the term cost unit.

7. Define ABC analysis.

8. Indicate the term time rate.

9. Interpret margin of safety.

10. Construct budgetory control.

SECTION – B (5 X 5 = 25 MARKS)

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

11. **a)** Assess the advantages and dis-advantages of cost accounting.

(OR)

b) Calculate prime cost,factory cost, cost of production, cost of sales and profit from the following data:

Direct materials Rs.10,000

Direct Labour Rs.4,000

Direct expenses Rs.500

Factory expenses Rs.1,500

Administartive expenses Rs.1,000

Selling edxpenses Rs.300

Sales Rs.20,000

12. **a)** Illustrate the components of product A are used as follows:

Re ordering quantity: 1,200 Units

Reordering period 2 to 4 weeks

Normal usage 360 units per week each

Minimum usage 150 units per week each

Maximum usage 450 units per week each

You are required to calculate the following for each of the components.

i)Reordering level ii) Maximum level iii) Minimum level d) Average stock level

(OR)

b) Assess the objectives of material control.

13. **a)** Extend the earnings of worker under a) Halsey premium plan and b) Rowan scheme.

Time allowed = 40 hours

Time taken = 30 hours

Rate per hour = Rs.3

(OR)

b) From the following data given by the personal department, classify the labour turnover rate by applying:

a) Separation method

b) Replacement method

c) Flux method

No. of workers on the payroll:

At the beginning of the month 900

At the end of the month 1,100

During the month 10 workers left, 40 workers were discharged and 150 workers were recruited. Of these, 25 workers are recruited in the vacancies of those leaving while the rest were engaged for an expansion scheme.

14. **a)** Find the profit from the following data:

Sales	Rs.1,20,000
Marginal cost	Rs.90,000
Break-even sales	Rs.90,000

(OR)

(cont….3)

b) From the following data Calculate:

i) P/V ratio

ii) Profit when sales are Rs.25,000

Fixed expenses Rs.6,000

Break-even sales = Rs.15,000

15. **a)** Discover the importance of budgeting.

(OR)

b) Draw up a flexible budget for overhead expenses on the basis of the following data and determine the overhead rates at 70%, 80% and 90%plant capacity.

Particulars	**At 70% Capacity (Rs.)**	**At 80% Capacity (Rs.)**	**At 90% Capacity (Rs.)**
Variable overheads:			
Indirect labour	-	12,000	-
Stores including spares	-	4,000	-
Semi-Variable overheads:			
Power			
(30% fixed, 70% variable)	-	20,000	-
Repairs and maintenance:			
(60% fixed,40% variable)	-	2,000	-
Fixed overheads:			
Depreciation	-	11,000	-
Insurance	-	3,000	-
Salaries	-	10,000	-
Total Overheads	-	62,000	-

Estimated Direct labour hours: 1,24,000 hours.

SECTION – C **(5 X 8 = 40 MARKS)**

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.(K4ORK5)

16. **a)** Contrast the difference between cost accounting and financial accounting.

(OR)

b) From the following information prepare a cost sheet for the month of Jan-2025.

Stock of raw materials on 1st January Rs.25,000

Stock of raw materials on 31st January Rs.26,200

Purchase of raw materials Rs.21,900

Carriage on purchases Rs.1,100

Sales of finished goods Rs.72,300

Direct wages Rs.17,200

Non-productive wages Rs.800

Direct expenses Rs.1,200

Factory overheads Rs.8,300

Administrative overheads Rs.3,200

Selling overheads Rs.4,200

17.a) From the following particulars construct the stores ledger card:

2025 January 1	Opening stock	1,000 units at Rs.26 each
5	Purchased	500 units at Rs.24.50 each
7	Issued	750 units
10	Purchased	1,500 units at Rs.24 each
12	Issued	1,100 units
15	Purchased	1,000 units at Rs.25 each
17	Issued	500 units
18	Issued	300 units
25	Purchased	1,500 units at Rs.26 each
29	Issued	1,500 units

Adopt the LIFO method of issue and ascertain the value of the closing stock.

(OR)

b) Construct the following information and apply stores ledger account, using the following methods: i) FIFO and ii)LIFO

2024 January 1	Opening balance	1,000 units at Rs.5 each
5	Received	500 units at Rs.6each
20	Issued	300 units
Feb 5	Issued	200 units
Feb 6	Received back from work Order Issued on 5th February	10 units
		600 units at Rs.5 each
Feb 7	Received	300 units
Feb 20	Issued	50 units purchased on 7th February
Feb 25	Returned to supplier	
Feb 26		200 units
March 10	Issued	500 units at Rs.7 per unit
March 15	Received	300 units
	Issued	

Stock verification on 15th March revealed a shortage of 10 units.

(cont….5)

18. a) Develop the following data and showing the cost per day of 8 hours of engaging a particular type of labour:

i) Monthly salary (Basic plus dearness allowances) Rs.400.

ii) Leave salary payable to workman 15% of basic and dearness allowance.

iii) Employees contribution to provident fund 8% of salary (items i and ii).

iv) Employees contribution to E.S.I. 5% of salary (items i and ii).

v) Pro rata expenditure on amenities to labour Rs.25 per head per month.

vi) No. of working hours in a month 200. **(OR)**

b) Identify the earnings of Workers X and Y under (a) Straight piece rate system (b) Taylor's differential piece rate system from the following details:

Standard time per unit = 12 minutes

Standard rate per hour = Rs.60

Differentials to be used 80% and 120%

If a particular day of 8 hours, worker "X" produced 30 units and Worker "Y" produced 50 units.

19. **a)** Experiment the importance and assumptions of marginal costing.

(OR)

b) The following data are available from the records of a company:

Sales Rs.60,000 Variable Cost Rs.30,000 Fixed Cost Rs.15,000

You are required to:

a) Calculate the P/V Ratio, Break – Even Point and margin of safety at this level.

b) Calculate the effect of 10% increase in sales price.

c) Calculate the effect of 10% decrease in ale price.

20. **a)** Mr.Aarav velan Ltd., manufactures two brands of pen Hero & Zero. The sales department of the company has three departments in different areas of the company.

The sales budget for the year ending 31st Dec 2024, were: Hero-Department I - 3,00,000; Department II - 5,62,500; Department III - 1,80,000 and Zero Department I - 4,00,000; Department II - 6,00,000; and Department III 20,000. Sales prices are Rs. 3 and Rs.1.20 in all departments.

It is estimated that by forced sales promotion the sales of Zero in department I will increase by 1,75,000. It is also expected that by increasing production and arranging extensive advertisement, Department III will be enabled to increase the sales of Zero by 50,000.It is recognized that the estimated sales by department II represent an unsatisfactory target. It is agreed to increase both estimates by 20%. Prepare a Sales Budget for the year 2024. **(OR)**

b) Discuss the types of budget.

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