(NO. OF PAGES: 5)

(FOR THE CANDIDATES ADMITTED DURING THE ACADEMIC YEAR 2023 ONLY)

23UBP512

REG.NO. :

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

END-OF-SEMESTER EXAMINATIONS: NOVEMBER-2025

B.COM (BPS)SF MAXIMUM MARKS: 75

SEMESTER: V TIME: 3 HOURS

PART - III

23UBP512 – COST ACCOUNTING

SECTION – A (10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS. (K1)

1. Basic objective of cost accounting is __________.
   - a) Tax compliance
   - b) Financial audit
   - c) Cost ascertainment
   - d) Profit analysis
2. Average cost method of valuing material issues is suitable when _______.
   - a) Prices rise
   - b) Prices fall
   - c) Prices fluctuate considerably
   - d) Constant price
3. In Taylor's differential piece rate system, _______ piece rate are set for each job.
   - a) Single
   - b) 3
   - c) 2
   - d) 4
4. Process costing is suitable for ______.
   - a) Hospitals
   - b) Oil refining firms
   - c) Transport firms
   - d) Brick laying firms
5. The loss incurred on an incomplete contract is transferred to _________ account.
   - a) Contract a/c
   - b) Profit & Loss a/c
   - c) Work-in-progress a/c
   - d) Direct cost a/c

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

6. Define Cost Accounting.
7. Indicate the formula for Maximum stock level.
8. Indicate the formula for calculating total earnings under Halsey Premium plan.
9. Define Process Costing.
10. Explain 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) List down the objectives of Cost Accounting.

(CONTD …. 2)

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(OR)

b) The following cost data are available from the books for the year ended 31-12-2023:

Direct materials	Rs. 9,00,000	Direct wages	Rs. 7,50,000
Profit	Rs. 6,09,000	Selling & Distribution overheads	Rs. 5,25,000
Factory overheads	Rs. 4,50,000	Administration overhead	Rs. 4,20,000

Show the Cost sheet.

12. a) Interpret the Economic Order Quantity in units from the following particulars:

Annual usage	20,000 units	Buying cost per order	Rs. 10
Cost per unit	Rs. 100	Cost of carrying inventory	10% of cost

(OR)

b) Find out i) Reorder level ii) Minimum stock level iii) Maximum stock level

Normal usage	150 units per day	Minimum usage	75 units per day
Maximum usage	225 units per day	Re - order quantity	900 units
Reorder period	12 to 18 days		

13.a) Find out the total earnings and the rate earned per hour of three workers by applying the Halsey and Rowan plans ; the bonus under Halsey plan is 50% of the time saved

Standard time 20 hours Hourly rate of wages Rs. 4

Time taken by A – 16 hours; B – 10 hours; C – 8 hours

(OR)

b) Assess the causes for labour turnover.

14. a) Compare Job costing and Process costing.

(OR)

b) A product passes through three distinct processes to completion. These processes are numbered respectively I, II and III. During the week ended 15th January 2021, 500 units are produced. The following information is obtained:

	Process I (Rs)	Process II (Rs)	Process III (Rs)
Direct materials	3,500	1,600	1,500
Direct Labour	2,500	2,000	2,500

(CONTD …. 3)

The overhead expenses for the period were Rs. 1,400 apportioned to the processes on the basis of wages. No work-in-progress or process stocks existed at the beginning or at the end of the week. Show Process Accounts.

15. a) Following information is extracted from the job ledger in respect of Job No.: 303

Materials Rs. 3,400 Wages 80 hours at Rs. 2.50 per hour.

Variable overheads incurred for all jobs Rs. 5,000 for 4,000 labour hours.

Find the Profit if the job is billed for Rs. 4,200.

(OR)

b) Describe briefly the objects of Transport costing.

SECTION – C (5 X 8 = 40 MARKS)

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

(K4 (Or) K5)

16. a) Discuss the advantages of cost accounting.

(OR)

b) Prepare a statement of cost from the following particulars:

Opening stock			
Materials WIP Finished goods	Rs. 2,00,000 Rs. 60,000 Rs. 5,000		
Closing Stock			
Materials WIP Finished goods	Rs. 1,80,000 Rs. 50,000 Rs. 15,000		
Materials purchased	Rs. 5,00,000	Direct wages	Rs. 1,50,000
Manufacturing expenses	Rs. 1,00,000	Selling expenses	Rs. 20,000
Sales	Rs. 8,00,000		

17. a) The following information is extracted from the Stores ledger:

Stock on 1-4-2023	100 units at Rs. 5 per unit
Purchases: 5-4-2023 8-4-2023 12-4-2023	300 units at Rs. 6 per unit 500 units at Rs. 7 per unit 600 units at Rs. 8 per unit
Issues: 6-4-2023 10-4-2023 14-4-2023	250 units 400 units 500 units

Determine the value of materials consumed during the period under LIFO method.

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(OR)

b) Discuss the advantages of material control.

18. a) Interpret and estimate the earnings of A, B, C and D under Merrick Differential Piece rate system

Standard production per hour	12 units
Normal rate per unit	Re. 0.60
In an 8 – hour day	
A produced	64 units
B produced	96 units
C produced	84 units
D produced	100 units

(OR)

b) Interpret how the cost of the various service departments are to be apportioned to the production departments from the following information. Small Company ltd., has three productive departments and four service departments. The expenses for these departments as per Primary distribution summary were:

Production departments:	Rs.	Rs.
A	30,000	
B	26,000	
C	24,000	80,000
Service departments:		
Store	4,000	
Time keeping	3,000	
Power	1,600	
Canteen	1,000	9,600

The following information is also available in respect of the production departments:

	Dept A	Dept B	Dept C
Horse power of machines	600	600	400
Number of Workers	40	30	30
Value of stores requisitioned	Rs. 5,000	Rs. 3,000	Rs. 2,000

(CONTD …. 5)

19. a) Sri & Co., produces a product through two process J and K. Prepare Process accounts from the following details relating to March 2023

	Process J	Process K
Material	45000	15000
Labour	60000	25000
Chargeable expenses	5000	10000

The overheads amounting to Rs. 17,000 are to be apportioned on the basis of labour.

(OR)

b) A Product passes through three processes. During March 2023, 1000 finished units were produced with the following expenditure:

	Process A (Rs)	Process B (Rs)	Process C (Rs)
Direct materials	1,500	2,600	2,000
Direct Labour	5,000	4,000	3,000

Overhead expenses amounted in all to Rs. 6,000.They are to be apportioned on the basis of direct wages. Main raw materials issued to Process A (besides above) were worth Rs. 6,000. Prepare Process Accounts.

20. a) Evaluate Kilometers and total passenger kilometers:

Number of buses: 4 Days operated in a month: 30

Trip made by each bus: 4 Distance of route: 30 kilometers long (one way)

Capacity of bus: 60 passengers

Normal passengers travelling: 80% of the capacity

(OR)

b) S. V. Construction Ltd., has obtained a contract for the construction of a bridge. The value of the contract is Rs. 12 lakhs and the work commenced on 1st October, 2023. Following details are shown in their books for the year ended 30th September, 2023:

Plant purchased Rs. 60,000; Wages paid Rs. 3,40,000; Materials issued to site Rs. 3,36,000; Site expenses Rs. 8,000; General overheads apportioned Rs. 32,000; Wages accrued as on 30-9-2023 Rs. 2,800; Materials at site as on 30-9-2023 Rs. 4,000; Direct expenses accrued as on 30-9-2023 Rs. 1,200; Work not net certified at cost Rs. 14,000; Cash received being 80% of work certified Rs. 6,00,000. Life of plant purchased is 5 years and scrap value is nil.

Prepare Contract Account for the year ended 30-9-2023.

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