

SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN
(AUTONOMOUS)

(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)
Chromepet, Chennai - 600 044.

B.Com. ISM - END SEMESTER EXAMINATIONS - NOVEMBER 2025
SEMESTER - II

23UBICT2003 - Cost Accounting

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

Section B

Answer any **SIX** questions (6 × 5 = 30 Marks)

1. Explain the general principles of Cost Accounting.
2. A co. purchased and issued the material in the following order.

		Unit	Unit cost
1.1.25	Purchased	300	3.00
5.1.25	Purchased	600	4.00
10.1.25	Issued	500	-
12.1.25	Purchased	700	4.00
15.1.25	Issued	800	-
20.1.25	Purchased	300	5.00
30.1.25	Issued	100	-

Calculate the value of closing stock by adopting FIFO method.

3. The net profit shown by the financial accounts of a manufacturing company for the year ended 31st March, 2011 is Rs.1,22,500. The Profit disclosed by the costing profit and loss account for the year is Rs.1,05,000. The reasons for the difference in profit are stated as follows:

Particulars	Rs.
Factory overhead over recovered	7,500
Administration overhead under recovered	4,500
Selling and distribution overhead under recovered	6,000
Profit on sale of fixed assets	14,500
Provision for income tax in financial account	10,000
Bank interest(credit)	12,000
Depreciation charged to financial account	15,000
Depreciation recovered in cost account	12,500
Under –Valuation of closing stock in Cost Account	6,500

Prepare a Reconciliation Statement and verify the result.

4. Prepare a Cost Sheet from the following data:

Particulars	Rs.	Rs.
Direct Material Consumed		50,000
Direct wages paid		40,000
Chargeable Expenses		10,000
Indirect Material:		
Used in factory	8,000	
Used in office	12,000	
Used in selling	6,000	
Used in distribution	4,000	30,000
Indirect Labour:		
In factory	15,000	
In office	20,000	
In selling	18,000	
In distribution	12,000	65,000
Indirect Expenses:		
Relating to factory	6,000	
Relating to office	3,000	
Relating to selling	1,000	10,000

5. Compute the overhead allocable to production departments A and B from the following:
There are two service departments X and Y, X renders service to A and B in the ratio of 3:2 and Y renders service to A and B in the ratio of 9:1. Overhead as per primary overhead distribution is:

A - Rs.49,800 B - Rs.29,600

X - Rs.15,600 Y - Rs.10,800

6. Material A and B are used in a company on the following basis

Maximum usage – 200 units per week each

Minimum usage – 80 units per week each

Normal usage – 140 units per week each

Re-order quantity - A-900 units; B-1100 units

Re-order period - A : 3 to 6 weeks; B : 2 to 4 weeks

Compute:

1.Maximum Level

2.Minimum Level

3.Re-order Level

7. Calculate labour turnover rate and equivalent rate under 1.) Separation method, 2.) Replacement method and 3.) flux method from the following particulars

Number of workers as on 1st March, 2011 is 800 and as on 31st May, 2011 is 950. During the period, 40 workers were terminated and 15 left the factory. The Company recruited 150 new workers. Among the 150 workers, 30 were appointed to replace the vacancy caused by the labour turnover and the remaining were appointed due to the high demand for the product of the company.

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8. Distinguish between Financial accounting and Cost accounting.

Section C

Answer any **THREE** questions (3 × 10 = 30 Marks)

9. "A good system of costing is an invaluable aid to the management"-Discuss.
10. Compute Cost Sheet from the following particulars of M/s. Bright Manufacturing Co. for the year ending 31st March 2024.

Particulars	Amount (Rs.)
Direct Material Consumed	1,00,000
Direct Wages	60,000
Chargeable Expenses	10,000
Factory Rent and Lighting	8,000
Factory Power	4,000
Depreciation of Factory Machinery	6,000
Office Salaries	12,000
Rent of Office	3,000
Selling Expenses	5,000
Distribution Expenses	4,000
Opening Stock of Finished Goods	15,000
Closing Stock of Finished Goods	10,000
Profit	20% on Cost

11. Determine the different incentive payment methods in labour costing.
12. From the following details of Material X for the month of June 2024, prepare a Stores Ledger Account using the LIFO method of pricing issues:

Date	Particulars	Units	Rate (Rs.)
June 1	Opening Stock	200	10
June 5	Purchased	300	12
June 10	Issued	250	—
June 15	Purchased	400	14
June 20	Issued	350	—
June 25	Purchased	200	16
June 28	Issued	150	—

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13. Kumaresh Ltd., has three production departments A,B and C and Two Service departments D and E. The following figures are extracted from the records of the company:

Rent and rates	- 5,000
Indirect wages	- 1,500
Depreciation of machinery	- 10,000
General lighting	- 600
Power	- 1,500
Sundries	- 10,000

Following further details are available:

	Total	A	B	C	D	E
Floor space	10,000	2,000	2,500	3,000	2,000	500
Light points	60	10	15	20	10	5
Direct wages	10,000	3,000	2,000	3,000	1,500	500
H.P of machines	150	60	30	50	10	-
Value of machinery (Rs.)	2,50,000	60,000	80,000	1,00,000	5,000	5,000

Apportion the cost to various departments on the most equitable basis by evaluate a primary departmental distribution summary.
