

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. A&F - END SEMESTER EXAMINATIONS - NOVEMBER 2025
SEMESTER - V

20UAFCT5014 - Cost Accounting

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

Section B

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

1. Explain the concept of cost accounting and its importance in managerial decision-making.
2. The accounts of ABC Co. Ltd., show the following
Material used - ₹7,00,000
Direct Labour - ₹5,40,000
Works Overhead - ₹1,62,000
Establishment Overhead - ₹1,12,600.
Compute the price should the company quote to manufacture a machine which will require an expenditure of ₹1,000 in materials and ₹800 in wages so that it will yield a profit of 20% on selling price.
3. From the following particulars compute the amount of profit shown in profit & loss account by preparing reconciliation account:
 - (a) Profit shown as per cost books ₹1,40,000
 - (b) Depreciation shown excess in cost books ₹2,000
 - (c) Interest on investment received ₹1,000
 - (d) Provision made for Income Tax ₹40,000
 - (e) Income received for share transfer ₹150
 - (f) Factory overhead under recovered in cost books ₹3,000
 - (g) Office expenses under recorded in financial books ₹1,000
4. Predict the Economic Order Quantity (EOQ) from the following particulars:
Annual usage - 6,000 units
Cost of material per unit - ₹20
Cost of placing and receiving one order - ₹60
Annual carrying cost of one unit - ₹10% of inventory value.

Contd...

5. From the following particulars, prepare store ledger by adopting First In First Out Method:
- March 1 Purchased 300 units @ ₹2 each
 2 Purchased 600 units @ ₹3 each
 5 Issued 400 units
 8 Issued 200 units
 10 Purchased 600 units @ ₹5 each
 12 Issued 400 units.
6. From the following particulars supplied by personnel department, compute labour turnover:
- Total number of employees at the beginning of the month – 2,010
 Number of employees who are recruited during the month – 30
 Number of employees who left during the month – 50
 Total number of employees at the end of the month – 1,990
7. From the following particulars, compute earnings of a worker under:
- (a) Halsey plan
 (b) Rowan plan
- Wage rate - ₹2 per hour
 Production per hour - 4 units
 Dearness allowance - ₹1 per hour
 Standard time fixed - 80 hours
 Actual time taken - 50 hours
 Production - 250 units.
8. Ascertain the machine hour rate
- (a) Electric charges - ₹0.75
 (b) Insurance charges - ₹0.30
 (c) Repair charges - ₹550 P.A.
 (d) Machine value - ₹15,000; Depreciation 10%
 (e) Machine will work for 2,000 hours P.A.

Section C

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

9. Classify different types of costs and provide examples.
10. A manufacturing company submits the following details about the various expenses incurred by it during the year ended 31st December 2024
- | | |
|-----------------------------------|-----------|
| Cost of raw material consumed | - ₹25,000 |
| Advertising | - ₹1,000 |
| Depreciation on plant & machinery | - ₹1,500 |
| Factory salaries | - ₹6,000 |
| Legal expenses | - ₹300 |

Contd...

Supervisor's salary	- ₹5,500
Income tax	- ₹1,500
Factory rates & insurance	- ₹1,000
Carriage outwards	- ₹1,500
Direct labour	- ₹20,000
Bad debts	- ₹300
Office stationery	- ₹200
Donation to charitable institution	- ₹500
Rent of factory	- ₹2,500
Office salaries	- ₹10,000
Commission on sales	- ₹4,000
Audit fees	- ₹300
Purchase of new plant	- ₹10,000

Prepare Cost Sheet and classify the above expenses under the various heads of cost.

11. From the following information, prepare store ledger account and ascertain closing stock under LIFO method.

Jan 1	– Opening balance 2000 units @ ₹10 each
5	– Received 1000 units @ ₹11 each
6	– Issued 500 units
10	– Received 5000 units @ ₹12 each
12	– Received back 50 units out of the issue made on 6 th Jan.
14	– Issued 600 units
18	– Returned to supplier 100 units out of goods received on 5 th .
19	– Received back 100 units out of the issue made on 14 th Jan.
20	– Issued 150 units
25	– Received 500 units @ ₹14 each
28	– Issued 300 units

The stock verification report reveals that there was a shortage of 10 units on 18th January & 15 units on 26th January.

12. From the following information compute earnings of A and B under (a) Straight piece rate system (b) Taylor's differential piece rate system:

Standard time – 10 units per hours
Normal wages – ₹1 per hour

Differential to be applied 75% and 125%

In a day of 8 hours A produced 60 units and B produced 100 units.

Contd...

13. A production unit is divided into 4 departments A, B, C are production departments and D is a service department. Apportion the cost to various departments and compute the total overheads.

The actual expenses are as follows:

Rent	- ₹10,000
Repairs to plant	- ₹6,000
Depreciation of plant	- ₹4,500
Lighting expenses	- ₹1,000
Supervisory expenses	- ₹15,000
Fire Insurance on stock	- ₹5,000
Power	- ₹9,000
Employer's liability of insurance	- ₹1,500

	A	B	C	D
Area Sq. feet	1,500	1,100	900	500
No. of lights	75	11	9	5
No. of employees	200	150	100	50
Total wages ₹	60,000	40,000	30,000	20,000
Value of plant ₹	2,40,000	1,80,000	1,20,000	60,000
Value of stock ₹	1,50,000	90,000	60,000	-
