

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. CA - END SEMESTER EXAMINATIONS - NOVEMBER 2025  
SEMESTER - V

**21UCCCT5011 - Elements of Cost Accounting**

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

**Section B**

Answer any **SIX** questions ( $6 \times 5 = 30$  Marks)

1. Define Cost Accounting. Explain its nature.
2. From the following details, prepare a Cost Sheet showing cost of sales and profit:
  - i) Direct Material : ₹2,00,000
  - ii) Direct Labour : ₹1,20,000
  - iii) Factory Overheads : 60% of Direct Labour
  - iv) Administrative Overheads : 20% of Works Cost
  - v) Selling & Distribution Overheads : ₹40,000
  - vii) Sales : ₹5,00,000
3. The profit as per Cost Accounts is ₹2,40,000, while the profit as per Financial Accounts is ₹2,05,000. On scrutiny, the following differences were found:
  - a) Depreciation charged in Financial Accounts only – ₹18,000
  - b) Overheads under-absorbed – ₹10,000
  - c) Income from investments (in Financial Accounts only) – ₹6,000
  - d) Overvaluation of opening stock in Cost Accounts – ₹5,000
  - e) Works overheads over-absorbed in Cost Accounts – ₹8,000
  - f) Interest paid (Financial Accounts only) – ₹3,000
  - g) Selling expenses under-recorded in Cost Accounts – ₹7,000

Prepare a Reconciliation Statement.

4. A company provides the following data for one machine:

Cost of Machine	: ₹1,00,000
Estimated Life	: 10 years
Scrap Value	: ₹10,000
Repairs	: ₹4,000 per year
Insurance	: ₹1,000 per year
Power Consumption	: 20 units/hour @ ₹8 per unit

Machine works 2,000 hours per year

Compute the Machine Hour Rate.

**Contd...**

5. A worker is paid under the Rowan Premium Plan.  
 Standard time allowed : 50 hours  
 Actual time taken : 40 hours  
 Rate per hour : ₹60  
 Calculate the worker's earnings and compare them with Halsey Plan (bonus = 50% of time saved).
6. A factory provides the following data:  
 Rent : 5,000  
 Power : 3,000  
 Supervision : 2,000  
 Depreciation : 4,000  
 The expenses are to be apportioned between Dept. A and Dept. B in the ratio 3:2. Prepare an Overheads Distribution Statement.
7. In a factory, the following information is available for the year:  
 Number of workers at the beginning of the year: 900  
 Number of workers at the end of the year: 1,100  
 Number of workers who left during the year: 100  
 Number of workers discharged: 50  
 Number of workers recruited during the year: 350, of which 150 were recruited to fill up vacancies caused by separations and the rest for expansion.  
 Calculate the Labour Turnover by: a) Separation Method  
 b) Replacement Method c) Flux Method
8. Explain the bases used for allocation and apportionment of overheads with examples.

### Section C

Answer any **THREE** questions ( $3 \times 10 = 30$  Marks)

9. Discuss how Cost Accounting serves as an effective tool for management decision-making and performance evaluation.
10. Calculate the earnings of workers X and Y under (A) straight piece rate system and (B) Taylors differential piece rate system from the following details  
 Standard time per unit = 12 minutes  
 Standard rate per hour = ₹60  
 Differential to be used 80% and 120%  
 In a particular day of 8 hrs, workers X produced 30 units and worker Y produce 50 units.
11. A company uses 24,000 units of a material annually.  
 Ordering Cost = ₹150 per order  
 Carrying Cost = ₹6 per unit per year

**Contd...**

Normal Usage = 2,000 units per month  
 Maximum Usage = 3,000 units per month  
 Minimum Usage = 1,000 units per month  
 Reorder Period = 2 to 3 months

Calculate:

- (a) EOQ (b) Reorder Level (c) Maximum Level (d) Minimum Level  
 (e) Average Stock

12. Calculate the labour variances from the following information:

Standard Wages:

Grade X : 90 labourers at ₹2 per hour.

Grade Y : 60 labourers at ₹3 per hour.

Actual Wages :

Grade X : 80 labourers at ₹2.50 per hour.

Grade Y : 70 labourers at ₹2 per hour.

Budgeted Hours : 1,000; Actual Hours : 900.

Budgeted Gross. Production 5,000 units; Standard Loss 20%; Actual Loss 900 units.

13. Calculate the overheads allocable to production departments A and B then are also two service department X and Y. X renders service worth ₹12,000 to Y and the balance to A and B as 3:2 Y renders service to A and B as 9:1

Particulars	A	B	X	Y
Floor space (sq.ft)	5000	4,000	1,000	2,000
assets	10	5	3	1
H.P of machines	1,000	500	400	100
No. of workers	10	50	50	25
Light and fan points	50	30	20	20

Expense and Charges are :

Depreciation	1,90,000	Power	20,000
Rent, rates & taxes	36,000	Canteen expenses	10,800
Insurance	15,200	electricity	4,800

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