

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BSc DEGREE EXAMINATION MAY 2025
(Third Semester)

Branch – COSTUME DESIGN AND FASHION

APPAREL COST ACCONTING

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(10 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	The objective of cost accounting is (a) Tax compliance (b) Financial audit (c) Cost ascertainment (d) Financial services	K1	CO1
	2	Process costing suitable for (a) Hospitals (b) Transport firms (c) Oil refining firm (d) Brick laying firms	K2	CO1
2	3	Cost of sales plus profit is (a) Selling price (b) Value of finished goods (c) Value of stocks (d) Production value	K1	CO1
	4	Direct expenses are also called (a) Major expenses (b) Sundry expenses (c) Overhead expenses (d) Chargeable expenses	K2	CO1
3	5	FIFO is (a) Fast Investment in Future Orders (b) First in First out (c) Fast Issue of First Order (d) First in Fast out	K1	CO1
	6	Material control involves (a) Consumption of raw materials (b) Issue of material (c) Purchase of materials (d) Purchase, storage and issue of materials	K2	CO1
4	7	Budget is a (a) technique (b) method of costing (c) master ledger (d) None of the above	K1	CO1
	8	A production budget is based on (a) Cash Budget (b) Overhead Budget (c) Sales Budget (d) Purchase Budget	K2	CO1
5	9	P/V Ratio is (a) Price volume ratio (b) Price variance ratio (c) Contribution to sales (d) Total cost to sales	K1	CO1
	10	Marginal cost is (a) Prime cost (b) Variable cost (c) Work cost (d) Cost of production	K2	CO1

SECTION - B (35 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks

(5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO
1	11.a.	Describe the various types of cost.	K2	CO1
	(OR)			
	11.b.	What are the technique of costing? Explain briefly.		

Cont...

2	12.a.	The accounts of a manufacturing company disclose the following information for the six month ending 31 st December 2023: Materials used Rs.1,50,000 Direct wages – Rs. 1,20,000 Percentage of factory overheads to direct wages – 25% Percentage of administrative expenses to work cost – 5% Prepare the cost sheet.	K3	C02												
	(OR)															
	12.b.	Prepare the cost sheet from the following: Direct materials Rs.10,000 Direct labour Rs.4,000 Direct expenses Rs.500 Factory expenses Rs.1,500 Administrative expenses Rs.1,000 Selling expenses Rs.300 Sales Rs.20,000														
3	13.a.	Find out the economic order quantity and the number of order per year from the following information: Monthly consumption 3,000 Units Cost per nit Rs.54 Ordering cost Rs.150 per order Inventory carrying cost 20% of the average inventory.	K4	CO3												
	(OR)															
	13.b.	Material 'A' is used as follows: Maximum usage in a month 600 Units Minimum usage in a month 400 Units Average usage in a month 450 Units Lead time: Maximum 6 months; Minimum 2 months Reorder quantity 1,500 Units Calculate: a) Reorder level b) Maximum level c) Minimum level d) Average stock level.														
4	14.a.	The following budget estimates are available from a factory working at 50% of its capacity: Variable expenses Rs.60,000 Semi-variable expenses Rs.20,000 Fixed expenses Rs.10,000 Prepare a budget for 75% of capacity assuming that semi-variable expenses increase by 10% for every 25%.	K3	CO2												
	(OR)															
	14.b.	You are required to prepare a production budget for the half year ending June 2023 from the following information: <table><tr><td>Product</td><td>Budgeted Sales Quantity (Units)</td><td>Actual Stock 31.12.2022 (Units)</td><td>Desired Stock 30.06.2023 (Units)</td></tr><tr><td>S</td><td>20,000</td><td>4,000</td><td>5,000</td></tr><tr><td>T</td><td>50,000</td><td>6,000</td><td>10,000</td></tr></table>	Product	Budgeted Sales Quantity (Units)	Actual Stock 31.12.2022 (Units)	Desired Stock 30.06.2023 (Units)	S	20,000	4,000	5,000	T	50,000	6,000	10,000		
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S	20,000	4,000	5,000													
T	50,000	6,000	10,000													
5	15.a.	From the following data calculate: a) P/V Ratio b) variable cost and c) Profit Sales Rs.80,000 Fixed expenses Rs.15,000 Break even point Rs.50,000	K4	CO3												
	(OR)															

	15.b.	From the following details find out: a) Profit volume ratio b) Break even sales c) Margin of safety Sales Rs.1,00,000 Total cost Rs.80,000 Fixed cost Rs.20,000 Net profit Rs.20,000	K4	CO3
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SECTION -C (30 Marks)

Answer ANY THREE questions

ALL questions carry EQUAL Marks (3 × 10 = 30)

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Module No.	Question No.	Question	K Level	CO																		
1	16	Examine the advantages and limitations of cost accounting.	K4	CO3																		
2	17	Prepare a cost sheet from the following: Direct material consumed Rs.50,000 Direct wages paid Rs.40,000 Chargeable expenses Rs.10,000 Indirect materials: Used in factory Rs.8,000 Used in office Rs.12,000 Used in selling Rs.6,000 Used in distribution Rs.4,000 Indirect labour: Used in factory Rs.15,000 Used in office Rs.20,000 Used in selling Rs.18,000 Used in distribution Rs.12,000 Indirect expenses: Used in factory Rs.6,000 Used in office Rs.3,000 Used in selling Rs.1,000	K3	CO2																		
3	18	Raman ltd., has purchased and issued materials as under: <table border="1"><tr><td>2023</td><td>Stock of materials 200 Units at Rs.2.50</td></tr><tr><td>June 1</td><td>per unit.</td></tr><tr><td>3</td><td>Purchased 300 units at Rs.3 per unit</td></tr><tr><td>7</td><td>Purchased 500 units at Rs.4 per uunit</td></tr><tr><td>10</td><td>Issued 600 units</td></tr><tr><td>12</td><td>Purchased 400 units at Rs.4 per unit</td></tr><tr><td>18</td><td>Issued 500 units</td></tr><tr><td>24</td><td>Purchased 400 units at Rs.5 per unit</td></tr><tr><td>28</td><td>Issued 200 units</td></tr></table> Prepare stores ledger under FIFO and LIFO method.	2023	Stock of materials 200 Units at Rs.2.50	June 1	per unit.	3	Purchased 300 units at Rs.3 per unit	7	Purchased 500 units at Rs.4 per uunit	10	Issued 600 units	12	Purchased 400 units at Rs.4 per unit	18	Issued 500 units	24	Purchased 400 units at Rs.5 per unit	28	Issued 200 units	K5	CO4
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4	19	Draw up a flexible budget for production at 75% and 100% capacity on the basis of the following data for a 50% activity. <table border="1"><thead><tr><th></th><th>Per Unit (Rs.)</th></tr></thead><tbody><tr><td>Materials</td><td>100</td></tr><tr><td>Labour</td><td>50</td></tr><tr><td>Variable expenses (Direct)</td><td>10</td></tr><tr><td>Administrative expenses (50% fixed)</td><td>40,000</td></tr><tr><td>Selling and Distribution expenses (60% fixed)</td><td>50,000</td></tr><tr><td>Present production</td><td>1000 Units</td></tr></tbody></table>		Per Unit (Rs.)	Materials	100	Labour	50	Variable expenses (Direct)	10	Administrative expenses (50% fixed)	40,000	Selling and Distribution expenses (60% fixed)	50,000	Present production	1000 Units	K6	CO5				
	Per Unit (Rs.)																					
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Present production	1000 Units																					
5	20	The following information relates to company for two years: <table border="1"><thead><tr><th></th><th>2016 Rs.</th><th>2017 Rs.</th></tr></thead><tbody><tr><td>Sales</td><td>38,000</td><td>65,000</td></tr><tr><td>Profit</td><td>-</td><td>3,000</td></tr><tr><td>Loss</td><td>2,400</td><td>-</td></tr></tbody></table> Calculate: a) P/V Ratio b) Fixed Cost c) BEP Sales d) Sales required to earn a profit of Rs.5,000		2016 Rs.	2017 Rs.	Sales	38,000	65,000	Profit	-	3,000	Loss	2,400	-	K5	CO4						
	2016 Rs.	2017 Rs.																				
Sales	38,000	65,000																				
Profit	-	3,000																				
Loss	2,400	-																				