23CSU520AN

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom(CS) DEGREE EXAMINATION DECEMBER 2025
(Fifth Semester)

Branch – **CORPORATE SECRETARYSHIP**

MAJOR ELECTIVE COURSE – I COST ACCOUNTING

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 total of all direct expenses is known as _____ Cost a) Prime cost b) Direct cost c) variable cost d) fixed cost	K1	CO1
	2	Depreciation is _____ expenditure a) variable b) semi-variable c) fixed d) Normative	K2	CO1
2	3	____ is a system which ensures availability of right quantity and quality of material for production a) production control b) stock control c) material control d) ordering level	K1	CO2
	4	E.O.Q. is different from re-order quantity. [a) true b) false c) may be d) value based	K2	CO2
3	5	_____ may be defined primarily as the art of observing and recording the time required to do each detailed element of an industrial operation. a) operation study b) elementary study c) time study d) motion study	K1	CO3
	6	Under which method, different rate of wages is fixed for different workers in the same group according to their skill and abilities? a) Time rate b) Premium rate c) differential piece rate d) Contract rate	K2	CO3
4	7	The factory rent is apportioning on the basis of a) Number of employees b) Machine hours c) Floor area d) direct labour hours	K1	CO4
	8	Costs incurred in which department is to be reapportioned? a) cost centres b) production department c) service department d) HR department	K2	CO4
5	9	When a contract is debited with the original cost of the plant, it should be credited with _____ at the end of the year a) depreciated value b) book value c) original value d) market value	K1	CO5
	10	Which method of costing is adopted to ascertain the cost of the product at each stage of manufacture? a) process costing b) step by step costing c) output costing d) work in progress cost	K2	CO5

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.	Explain the objectives of Cost Accounting.	K2	CO1
		(OR)		
	11.b.	Outline the advantages of Cost Accounting		
2	12.a.	About 50 items are required every day for a machine. A fixed cost of Rs.50 per order is incurred for placing an order. The inventory carrying cost per item amounts to Re.0.02 per day. The lead period is 32 days. By using the above information Compute Economic Order quantity and Reorder level.	K3	CO2
		(OR)		
	12.b.	A company purchased and issued the material in the following order: Date | | Units | Cost per unit 1st January | Purchases | 400 | 4.00 5th January | Purchases | 700 | 5.00 10th January | Issues | 600 | - 12th January | Purchases | 700 | 4.00 15th January | Issues | 800 | - 20th January | Purchases | 300 | 5.00 Make use of weighted average method of material issues to ascertain the quantity of closing stock as on 31st January.		

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3	13.a.	A worker is paid Rs.300 per month in addition to dearness allowance of Rs.75 per month. He is entitled to bonus @10% on wages. Employer's contribution is 8 1/3% of wages towards contributory provident fund to which worker is also contributes an equal amount. The contribution for E.S.I. is 1% for employer and ½% for worker. The employer maintains a canteen where subsidised tea and lunch are provided to workers and a monthly subsidy of Rs.4,000 is provided to the canteen. The total number of employees who take advantage of this canteen is 400. Normal idle time amounts to 20%. The worker is entitled to 15 days' earned leave during the year. The number of working days in a year should be taken to be 300 of 8 hours each. Make use of the above information to find out the labour cost per man day.	K3	CO3
		(OR)		
	13.b.	The firm employs five workers at an hourly rate of Rs.2.00. During the week, they worked for four days for a total period of 40 hours each and completed a job for which the standard time was 48 hours for each worker. Apply Halsey method and Rowan method of incentive plan payments to calculate labour cost.		
4	14.a.	Following information is made available from the costing records of a factory: i) The original cost of the machine 1,00,000; Estimated life 10 years; Residual value Rs.5,000 Factory operates for 48 hours per week - 52 weeks in a year Allow 15% towards machine maintenance down-time, 5% may be allowed as setting up time ii) Electricity used by the machine is 10 units per hour at a cost of 50 paise per unit, iii) Repairs and maintenance cost is Rs.500 per month. iv) Two operators attend the machine during operation along with two other machines. Their total wages, including fringe benefits, amount to Rs.5,000 per month. v) Other overheads attributable to the machine are Rs.10,431 per year. Using the above data, discover comprehensive machine hour rate	K4	CO4
		(OR)		
	14.b.	A manufacturing company has four production and six service departments. From the following information briefly apportion the service departments overheads to production departments only. Production departments: P1 30,000; P2 30,000; P3 24,000; P4 16,000; Value of materials in hand Service departments: S1 – Power 18,000; S2 – Purchase 15,000; S3 – Stores 12,000; S4 – Canteen 9,000; S5 – Labour welfare 6,000; S6 – Time keeping 4,500 Additional information: Horse power of machine: P1 600, P2 600, P3 300, P4 300 Value of materials purchased (Rs. In lakhs): P1 5, P2 4, P3 4, P4 2 Number of stores requisitions: P1 4, P2 3, P3 3, P4 2 Number of workers: P1 18, P2 16, P3 14, P4 12		
5	15.a.	The following was the expenditure on a contract for Rs.6,00,000 commenced on January 1, 2001. Materials Rs.1,20,000; Wages Rs.1,64,000;Plant Rs.20,000; Business charges Rs.8,600. Cash received on account to 31st December 2001 amounted to Rs.2,40,000 being 80% of work certified; the value of materials in hand on 31.12.2001 was Rs.10,000. Prepare the Contract Account for 2001 showing the profit to be credited to the year's P&L account. Plant is to be depreciated at 10%.	K4	CO5
		(OR)		
	15.b.	In Process B, 75 units of a commodity were transferred from Process A at a cost of Rs.1,310. The additional expenses incurred by the process were Rs.190. 20% of the units entered are normally lost and sold for Rs.4 per unit. The output of the process was 70 units. Prepare Process B account and Abnormal Gain Account.		

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SECTION -C (30 Marks)

Answer **ANY THREE** questions
ALL questions carry **EQUAL** Marks (3 × 10 = 30)

Module No.	Question No.	Question	K Level	CO
1	16	Categorize the expenses and Calculate Prime Cost, Factory Cost, Cost of Production, Cost of Sales and profit. Direct materials Rs.1,00,000; Direct wages Rs.30,000; Wages of Foreman Rs.2,500; Electric Power Rs.500; Lighting – Factory – Rs.1,500; Lighting – Office – Rs.500; Storekeeper's wages Rs.1,000; Oil and Water Rs.500; Rent – Factory – Rs.5,000; Rent – Office – Rs.2,500; Repairs and Renewals – Factory Plant – Rs.3,500; Repairs and Renewals – Office Premises – Rs.500; Depreciation – Factory Plant – Rs.500; Depreciation – Office Premises – Rs.1,250; Consumable Stores – Rs.2,500; Manager's Salary – Rs.5,000; Director's Fee – Rs.1,250; Office Stationery – Rs.500; Telephone charges – Rs.125; Postage and Telegrams – Rs.250; Salesman's salaries – Rs.1,250; Travelling expenses – Rs.500; Advertising – Rs.1,250; Warehouse charges – Rs.500; Sales – Rs.1,89,500; Carriage outward – Rs.375;	K4	CO1
2	17	The following is an extract of the record of receipts and issues of Sulphur in a chemical factory during November 2001. Nov.1 Opening balance 500 tonnes @ Rs.200 3 Issued 70 tonnes 4 Issued 100 tonnes 8 Issued 80 tonnes 13 Received from Supplier 200 tonnes @ Rs.190 14 Returned from departments 15 tonnes 16 Issued 180 tonnes 20 Received from Supplier 240 tonnes @ Rs.190 24 Issued 300 tonnes 25 Received from Supplier 320 tonnes @ Rs.190 26 Issued 115 tonnes 27 Returned from departments 35 tonnes 28 Received from Supplier 100 tonnes @ Rs.190 Issues are to be priced on the principal of 'First in First Out'. The stock verifier of the factory had found shortage of 10 tonnes on the 22nd and left a note accordingly. Analyze and draw up a Stores Ledger to extract the closing stock.	K4	CO2
3	18	Assess the standard labour hour rate for workmen from the following data: Basic Pay 200p.m.; D.A. 150p.m.; Fringe benefits 100p.m.; number of working days per year – 300; Leave rules: 30 days paid leave with full pay 20 days sick leave with half pay Usually sick leave is fully availed of. Assess what would be the labour cost if no sick leave is availed during the year.	K4	CO3
4	19	In a factory, there are two service departments S, and S2 and three production departments P1, P2 and P3. In April 2001, the departmental expenses were: Departments: P1 P2 P3 S1 S2 Rs. 6,50,000 6.00.000 5,00,000 1,20,000 1,00,000 The service department expenses are allocated on a percentage basis as follows: Service Depts Production Depts. Service Depts. P1 P2 P3 S1 S2 S1 30 40 15 - 15 S2 40 30 25 5 - Prepare a statement showing the distribution of the two service departments' expenses to the three departments by (a) Simultaneous Equation Method, (b) Repeated Distribution Method.	K4	CO4
5	20	Analyse the key principles and advantages of process costing.	K4	CO5

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