

**PSG COLLEGE OF ARTS & SCIENCE**  
(AUTONOMOUS)

**BSc DEGREE EXAMINATION DECEMBER 2025**  
(Third Semester)

Branch - COSTUME DESIGN AND FASHION

**APPAREL 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	Which of these is a variable cost? a) Factory rent b) Office salaries c) Electricity for production d) Insurance premium	K1	CO1
	2	Which of the following is not a feature of cost accounting? a) Determining selling price b) Cost control c) Preparation of financial statements d) Decision making	K2	CO1
2	3	What does Marker efficiency refers to ? a) Efficiency of sewing line b) Efficiency of spreading c) Usage efficiency of marker layout in fabric cutting d) Quality efficiency	K1	C2
	4	If dyeing loss is 6%, how much fabric needs to be accounted for in processing? a) $\text{Base} \div 0.94$ b) $\text{Base} \times 0.94$ c) $\text{Base} \div 1.06$ d) $\text{Base} \times 1.06$	K2	C2
3	5	Which technique of material control uses classification of inventory by value?** a) EOQ      b) JIT c) ABC Analysis      d) FIFO	K1	C3
	6	What does EOQ stands for ? a) Exact Order Quantity b) Economic Order Quantity c) Equal Order Quantity d) Estimated Order Quantity	K2	C3
4	7	In budgetary control, performance is compared with: a) Market price      b) Previous year's production c) Actual results      d) Budgeted results	K1	C4
	8	A budget prepared to estimate the fabric required is called: a) Sales budget      b) Labour budget c) Material budget      d) Profit budget	K2	C4
5	9	Which of the following costs vary with the level of output? a) Fixed costs      b) Administrative expenses c) Variable costs      d) Depreciation	K1	C5
	10	How fixed costs are treated in marginal costing? a) Product cost      b) Sunk cost c) Period cost      d) Variable cost	K2	C5

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**SECTION - B (35 Marks)**

Answer ALL questions

ALL questions carry EQUAL Marks  $(5 \times 7 = 35)$ 

Module No.	Question No.	Question	K Level	CO											
1	11.a.	Explain the advantages of Cost Accounting.	K5	CO1											
		(OR)													
	11.b.	Preparation of Cost Sheet Prepare cost sheet from the following information <table border="1"> <tr> <th>Particulars</th><th>(Rs.)</th></tr> <tr> <td>Direct materials</td><td>200000</td></tr> <tr> <td>Factory expenses</td><td>120000</td></tr> <tr> <td>Prime cost</td><td>410000</td></tr> <tr> <td>Office expenses</td><td>90000</td></tr> <tr> <td>10% of the output is in stock</td><td></td></tr> <tr> <td>Sales</td><td>650000</td></tr> </table>			Particulars	(Rs.)	Direct materials	200000	Factory expenses	120000	Prime cost	410000	Office expenses	90000	10% of the output is in stock
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Sales	650000														
2	12.a.	Define marker efficiency and its role in fabric consumption.	K2	CO2											
		(OR)													
3	12.b.	List out the components of CMT cost.	K3	CO3											
	13.a.	PQR ltd. Manufactures a special product , the following particulars were collected for the year 2015 -16 i) Monthly Demand : 7500 units ii) Cost of placing an order : Rs 2500 iii) Reorder paid : 5 – 8 weeks iv) Cost per unit : Rs 60 v) Carrying cost % p.a : 10 % vi) Normal usage : 500 units per week vii) Minimum usage : 250 units per week viii) Maximum usage : 750 units per week you are Required to calculate i) Reorder Quantity ii) Reorder level iii) Minimum stock level iv) Maximum stock level v) average stock level													
		(OR)													
	13.b.	Find out the Economic Order Quantity and Order Schedule for raw materials and packing materials with the following data given to you: 1. Cost of ordering: Raw Materials = Rs. 1,000 per order Packing Materials = Rs. 5,000 per order 2. Cost of holding inventory: Raw Materials = 1 paisa per unit p.m. Packing Materials = 5 paise per unit p.m. 3. Production rate: 2,00,000 units per month													
	14.a.	Chitra and company supplies spare parts to T.V.S. company on annual contract basis. The following data for 2006 is given. <table border="1"> <tr> <td>Units supplied</td><td>2,000</td></tr> <tr> <td>Sale price</td><td>Rs 100 per unit</td></tr> <tr> <td>Variable cost</td><td>Rs 60 per unit</td></tr> <tr> <td>Fixed cost</td><td>Rs 20 per unit</td></tr> <tr> <td>profit</td><td>Rs 20 per unit</td></tr> </table> In 2007 it is anticipated that the contract will be for supply of 3,000 units. The variable cost goes up by 10%. Fixed cost may reduce by 5%. Selling price reduce by 2%. Prepare the budget for supply of 3,000 units in 2007.			Units supplied	2,000	Sale price	Rs 100 per unit	Variable cost	Rs 60 per unit	Fixed cost	Rs 20 per unit	profit	Rs 20 per unit	
Units supplied	2,000														
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(OR)															

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	14.b.	A firm produces two products called X and Z. The opening balances of the products are 7,800 units and 8,400 units respectively. The estimated sales during a month are 14,700 units and 15,300 units respectively. The required closing balance is 8,200 units, and 9,000 units. Prepare production budget.	K3	CO4																				
5	15.a.	From the following data, calculate P/V ratio: Sales 20,000 units @ Rs.20 per unit = Rs.4,00,000 Variable costs @ Rs.15 per unit = Rs.3,00,000 Fixed Costs Rs.80, 000.																						
(OR)																								
	15.b.	Prepare marginal cost statement from the following particulars.	K3	CO5																				
		<table border="1"> <thead> <tr> <th>Particulars</th> <th>Amount (in Rs)</th> </tr> </thead> <tbody> <tr> <td>Variable cost.</td> <td></td> </tr> <tr> <td>Direct materials</td> <td>4,500</td> </tr> <tr> <td>Direct wages</td> <td>2,500</td> </tr> <tr> <td>Factory overheads</td> <td>1,500</td> </tr> <tr> <td>Fixed cost</td> <td>8,500</td> </tr> <tr> <td>Administrative expenses</td> <td>1,250</td> </tr> <tr> <td>Total cost</td> <td>9,750</td> </tr> <tr> <td>Profits</td> <td>5,250</td> </tr> <tr> <td>Sales</td> <td>15,000</td> </tr> </tbody> </table>	Particulars	Amount (in Rs)	Variable cost.		Direct materials	4,500	Direct wages	2,500	Factory overheads	1,500	Fixed cost	8,500	Administrative expenses	1,250	Total cost	9,750	Profits	5,250	Sales	15,000		
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**SECTION -C (30 Marks)**

Answer ANY THREE questions

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

Module No.	Question No.	Question	K Level	CO																																								
1	16	<p>Following information has been obtained from the records of a Manufacturing company.</p> <table style="margin-left: 200px;"> <tr> <td></td> <td>1.1.2015</td> <td>31.12.15</td> </tr> <tr> <td>Stock of Raw Materials</td> <td>40,000</td> <td>50,000</td> </tr> <tr> <td>Stock of Finished goods</td> <td>1,00,000</td> <td>1,50,000</td> </tr> <tr> <td>Stock of work in progress</td> <td>12,000</td> <td>14,000</td> </tr> </table> <p>Transactions during the year</p> <table style="margin-left: 200px;"> <tr> <td>Indirect Labour</td> <td>50,000</td> <td>Administration expenses</td> <td>1,00,000</td> </tr> <tr> <td>Lubricants</td> <td>10,000</td> <td>Power</td> <td>30,000</td> </tr> <tr> <td>Insurance on Plant</td> <td>3,000</td> <td>Sale of Factory Scrap</td> <td>2000</td> </tr> <tr> <td>Purchase of Raw materials</td> <td>4,00,000</td> <td>Direct labour</td> <td>3,00,000</td> </tr> <tr> <td>Sale commission</td> <td>60,000</td> <td>Depreciation on Machinery</td> <td>50,000</td> </tr> <tr> <td>Salaries of Salesmen</td> <td>1,00,000</td> <td>Factory Rent</td> <td>60,000</td> </tr> <tr> <td>Carriage outward</td> <td>20,000</td> <td>Property tax on Factory building</td> <td>11,000</td> </tr> </table> <p>Prepare a statement of cost and Profit showing</p> <p>a) cost of Raw materials consumed  b) Prime cost  c) Total Manufacturing cost  d) Factory Manufacturing cost  e) cost of production  f) cost of goods sold  g) cost of sales  h) profit</p>		1.1.2015	31.12.15	Stock of Raw Materials	40,000	50,000	Stock of Finished goods	1,00,000	1,50,000	Stock of work in progress	12,000	14,000	Indirect Labour	50,000	Administration expenses	1,00,000	Lubricants	10,000	Power	30,000	Insurance on Plant	3,000	Sale of Factory Scrap	2000	Purchase of Raw materials	4,00,000	Direct labour	3,00,000	Sale commission	60,000	Depreciation on Machinery	50,000	Salaries of Salesmen	1,00,000	Factory Rent	60,000	Carriage outward	20,000	Property tax on Factory building	11,000	K3	CO1
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2	17	Explain how dyeing and finishing losses are considered in garment costing.	K4	CO2												
3	18	<p>Following transactions occur in the purchase and Issue of material :</p> <p>Jan 2 Purchased 4000 units @ Rs 4 per unit  20 Purchased 500 units @ Rs 5 per unit</p> <p>Feb 5 Purchased 2000 units  10 Purchased 6000 units @ Rs 6 per unit  12 Issued 4000 units</p> <p>Mar 2 Issued 1000 units  5 Issued 2000 units  15 Purchased 4500 units @ Rs 5.50 per unit  20 Issued 3000 units</p> <p>From the above prepare the stores ledger a/c by adopting FIFO Method.</p>	K4	CO3												
4	19	<p>Prepare a flexible budget for the production of 80% and 100% activity on the basis of the following information.</p> <table border="1"> <tr><td>Production at 50% Capacity</td><td>5,000 Units</td></tr> <tr><td>Raw Materials</td><td>Rs 80 per unit</td></tr> <tr><td>Direct Labour</td><td>Rs50 per unit</td></tr> <tr><td>Direct Expenses</td><td>Rs 15 per unit</td></tr> <tr><td>Factory Expenses</td><td>Rs50, 000 (50%Fixed)</td></tr> <tr><td>Administration Expenses</td><td>Rs60,000 (60%Variable)</td></tr> </table>	Production at 50% Capacity	5,000 Units	Raw Materials	Rs 80 per unit	Direct Labour	Rs50 per unit	Direct Expenses	Rs 15 per unit	Factory Expenses	Rs50, 000 (50%Fixed)	Administration Expenses	Rs60,000 (60%Variable)	K4	CO4
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5	20	<p>From the following data calculate a) P/v ratio b) profit when sales are Rs 1,20,000 c) New BEP if selling is reduced by 20%</p> <table border="1"> <tr><td>BEP</td><td>Rs 60,000</td></tr> <tr><td>Fixed expenses</td><td>Rs 24,000</td></tr> </table>	BEP	Rs 60,000	Fixed expenses	Rs 24,000	K4	CO5								
BEP	Rs 60,000															
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