23COU308N/23COC308N/23COE308N/23AFU308N/ 23CRM308N/23FSU308N/23FTU308N/23BPU308N/23CBI308N

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)
BCom DEGREE EXAMINATION DECEMBER 2025
(Third Semester)
Common to Branches – **COMMERCE/ COMMERCE WITH CA/ E-COMMERCE/ COMMERCE (A&F)/ COMMERCE (RM)/ COMMERCE (FS)/ COMMERCE (FT)/ COMMERCE (BPS)/ COMMERCE (B&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	Tenders are usually invited by: a) Vendors b) Government departments or large firms c) Customers d) Employees	K1	CO1
	2	Which of the following is not an element of cost? a) Direct material b) Direct labor c) Overheads d) Selling price	K2	CO1
2	3	Material control refers to: a) Controlling machines in the factory b) Regulating the production process c) Efficient purchase, storage, and usage of materials d) Budget control over salaries	K1	CO2
	4	Which of the following is not a technique of material control? a) ABC analysis b) Perpetual inventory system c) Economic Order Quantity (EOQ) d) Trial balance	K2	CO2
3	5	According to CAS-3, abnormal overheads should be: a) Absorbed into product cost b) Charged to costing profit and loss account c) Added to direct materials d) Capitalized	K1	CO3
	6	Machine Hour Rate is calculated by dividing: a) Direct cost by number of machines b) Overhead by number of units c) Overhead by machine hours d) Labor cost by machine hours	K2	CO3
4	7	Operating costing is most suitable for: a) Furniture manufacturing b) Electricity generation c) Transport services d) Job-based production	K1	CO4
	8	Contract costing is mainly used in: a) Small batch production b) Large, long-term construction projects c) Service industries d) Retail outlets	K2	CO4
5	9	Reconciliation Statement is prepared to: a) Match trial balances b) Match cost and financial profits c) Prepare budgets d) Close the year-end accounts	K1	CO5
	10	The cost of abnormal loss is: a) Added to the cost of good units b) Ignored in cost accounting c) Transferred to costing Profit and Loss Account d) Treated as part of normal 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.	Illustrate the scope of Cost Accounting.	K2	CO1
		(OR)		
	11.b.	From the following information, Prepare cost sheet of Crimson Corporation for the period from April 2024 to March 2025		

	1-4-2024	31-3-2025
Raw Materials	Rs 30,000	Rs 25,000
Work-in-progress	Rs 12,000	Rs 15,000
Finished goods	Rs 60,000	Rs 55,000

Transaction during the period was

Purchase of raw materials	Rs 4,50,000
Wages Paid	Rs 2,30,000
Factory overheads	Rs 92,000
Administrative overheads	Rs 30,000
Selling overheads	Rs 20,000
Sales	Rs 9,00,000

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2	12.a.	From the following information, calculate Maximum level (ii) Minimum level (iii) Reorder level (iv) Average Stock level Minimum consumption 240 units per day Normal consumption 300 units per day Maximum consumption 420 units per day Reorder quantity 3600 units Reorder period 10 – 15 days Normal order period 12 days	K4	CO2
		(OR)		
	12.b.	Calculate Economic Order Quantity Annual requirements 3600 kgs and number of orders to be placed. Cost of placing and receiving one order Rs.10 Annual carrying and storage cost Rs.20 per unit		
3	13.a.	Compute labour turnover rate by applying (i) Flux Method (ii) Replacement method (iii) Separation method Number of workers at the beginning of year - 500 Number of workers at the end of the year - 600 During the month 5 workers left, 20 person were discharged and 75 workers were recruited of these 10 workers were recruited in the vacancy of those leaving while the rest were engaged for an expansion scheme.	K4	CO3
		(OR)		
	13.b.	Calculate the earning of a worker from the following. a) Time rate b) Piece rate c) Halsey Plan d) Rowan Plan Standard Time - 30 hours Time Taken - 20 hours Hourly rate of wages is Rs.1 plus DA @0.50 p per hour worked.		
4	14.a.	Following information is extracted from job ledger in respect of Job No. 707 Material – Rs 3,400 Wages Dep A – 80 hours at Rs. 2.50/ hour Dep B – 60 hours at Rs. 4/ hour Variable overheads Dep A – Rs 5000 for 4000 direct hours Dep B – Rs 6000 for 3000 direct hours Fixed overheads Rs 7,500 for 10,000 hours of normal working time in a factory Calculate the cost of Job No. 707 and estimate the percentage of profit if the price quoted is Rs.4,750.	K4	CO4
		(OR)		
	14.b.	From the Following data calculate cost per km of a vehicle		

Value of vehicle	Rs. 2,50,000
Road license per year	Rs. 800
Supervision and salary (Yearly)	Rs. 2,700
Driver's wages per hour	Rs. 4/hour
Cost of fuel per litre	Rs. 12
Repairs and maintenance	Rs. 2
Tyre cost per km	Re. 1
Insurance Premium (Yearly)	Rs. 700
Garage rent per year	Rs. 1,300
Kms run per litre	20
Kms run during the year	15,000
Estimated life of vehicle (kms)	1,00,000
Tonnes per km (Average)	6

		Charge interest at 5% PA on cost of vehicle. The vehicle runs 20 kms per hour on an average.		
5	15.a.	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 @ Rs. 4 per unit. The output of the Process was 70 units. Prepare process B Account and Abnormal Gain Account.	K4	CO5
		(OR)		

5	15.b.	The financial profit and loss account of a manufacturing company for the year ended 31st March 2025 is as follows. To Material Consumes 50,000 — By Sales 1.24.000 To carriage inwards 34,000 To work expenses 12,000 To direct Wages 1,000 To Adm. Expenses 4,500 To selling & Distribution 6,500 To Debenture Interest 1,000 To Net Profit 15,000 1,24,000 — 1,24,000 The net profit shown by the cost accounts for the year is Rs. 16,270. Upon detailed comparison of the two set of accounts it is found that (i) The amount charged in the cost accounts in respect of overhead charges are as follows Works overhead charges - Rs. 11,500 Office overhead charges - Rs. 4,590 Selling expenses - Rs. 6,640 (ii) No charge has been made in the cost accounts in respect of debenture interest. You are required to reconcile the profit shown by the two sets of accounts.	K4	CO5

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	Mr. Kannan furnishes the following data relating to manufacture of a standard product during the month of October 2025 Particulars — (Rs.) Raw material Consumed — Rs.15000 Direct labour charges — Rs.9000 Machine hours worked — 900 hours Machine hour rate — Rs. 5 Administrative Overheads — 20% on works cost Selling overheads — Rs. 0.50 per unit Units produced — 17,100 units Units sold — 16,000 units You are required to prepare cost sheet from the above showing. a) Cost of production per unit b) Profit per unit sold and profit for the period.	K4	CO1
2	17	X company has purchased and issued materials as under: 1998 June 1 stock of materials 200 units at Rs. 2.50 per unit 3 Purchased 300 units at Rs. 3 per unit 7 Purchased 500 units at Rs. 4 per unit 10 Issued 600units 12 Purchased 400 units at Rs. 4 per unit 18 Issued 500 units 24Purchased 400 units at Rs. 5 per unit 28 Issued 200units Prepare the stores ledger under FIFO method	K4	CO2
3	18	Following particulars relate to the manufacturing company which has three production departments P_1, P_2 and P_3 and two service departments S_1 and S_2 Total departmental overheads as per Primary Distribution: P_1 6,300; P_2 7,400; P_3 2,800; S_1 4,500; S_2 2,000 The company decided to charge service department cost on the basis of the following percentage. Production Department: P_1, P_2, P_3 — Service Department: S_1, S_2 S_1: 40%, 30%, 20%, -, 10% S_2: 30%, 30%, 20%, 20%, - Find out total overheads charging service department cost to production department under simultaneous equation method.	K4	CO3

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<table>
<tr>
<td>4</td>
<td>19</td>
<td>SV Construction Ltd. Obtained a contract for construction of a bride
Value of the contract – Rs. 12 Lakhs
Work commenced in – 1st Oct 2024
Following details are shown in their books for the year ended 30th September 2025

<table>
<tr><td>Plant purchased</td><td>Rs. 60,000</td></tr>
<tr><td>Wages paid</td><td>Rs. 3,40,000</td></tr>
<tr><td>Materials issued to site</td><td>Rs. 3,36,000</td></tr>
<tr><td>Site expenses</td><td>Rs. 8,000</td></tr>
<tr><td>General overheads appointed</td><td>Rs. 32,000</td></tr>
<tr><td>Wages accured on 30-9-2025</td><td>Rs. 2,800</td></tr>
<tr><td>Materials at site as on 30-9-2025</td><td>Rs. 4,000</td></tr>
<tr><td>Direct expenses accured as on 30-9-2025</td><td>Rs. 1,200</td></tr>
<tr><td>Work not yet certified</td><td>Rs. 14,000</td></tr>
<tr><td>Cash received being 80% of work certified</td><td>Rs. 6,00,000</td></tr>
<tr><td>Life of plant scrap value is nil</td><td>5 Years</td></tr>
</table>
Prepare contract account for the year ended 30.9.2025 and shown the amount of profit.</td>
<td>K4</td>
<td>CO4</td>
</tr>
<tr>
<td>5</td>
<td>20</td>
<td>Product Z obtained after it passes through three distinct processes. Following information is obtained from the accounts for the month ending 31 March 2025

<table>
<tr><td>Items</td><td>Total</td><td>I</td><td>II</td><td>III</td></tr>
<tr><td>Direct Material</td><td>7542</td><td>2600</td><td>1980</td><td>2962</td></tr>
<tr><td>Direct Wages</td><td>9000</td><td>2000</td><td>3000</td><td>4000</td></tr>
<tr><td>Production Overheads</td><td>9000</td><td>-</td><td>-</td><td>-</td></tr>
</table>
1000 units at Rs. 3 each were introduced to Process I. There was no stock of material or work in progress at the beginning or end of the period. Output of each process passes direct to the next process and finally to finished stores. Production overhead is recovered on 100% of direct wages.

<table>
<tr><td></td><td>Process – I</td><td>Process – II</td><td>Process – III</td></tr>
<tr><td>% of Normal loss to input</td><td>5%</td><td>10%</td><td>15%</td></tr>
<tr><td>Output (in units) during the month</td><td>950</td><td>840</td><td>750</td></tr>
<tr><td>Value of scarp per unit (Rs)</td><td>2</td><td>4</td><td>5</td></tr>
</table>
Prepare Process Account.</td>
<td>K4</td>
<td>CO5</td>
</tr>
</table>

Z-Z-Z END