QP CODE: 25034867

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Reg No : .....

Name : .....

B.COM DEGREE (CBCS)REGULAR / REAPPEARANCE/MERCY CHANCE EXAMINATIONS, OCTOBER 2025

Fifth Semester

CORE COURSE - CO5CRT14 - COST ACCOUNTING - 1

Common for all B.Com Degree Programmes

2017 Admission Onwards

19A55F30

Time: 3 Hours Max. Marks : 80

Instructions to Private candidates only: This question paper contains two sections. Answer SECTION I questions in the answer-book provided. SECTION II, Internal examination questions must be answered in the question paper itself. Follow the detailed instructions given under SECTION II

Part A

*Answer any **ten** questions.*

*Each question carries **2** marks.*

1. Define Cost Accountancy.
2. Define Profit Centre.
3. What is Contract costing?
4. How will you treat materials returned to vendor ?
5. What is spoilage ?
6. What is Base stock method?
7. What is Over time?
8. What are the objectives of incentive plan?
9. What is Conversion Cost?
10. What is repeated distribution method?
11. What is Activity Based Costing?
12. What is scrap?

(10×2=20)

Part B

*Answer any **six** questions.*

*Each question carries **5** marks.*

13. Explain the classification of costs.

14. Explain the advantages and disadvantages of centalised purchasing.

15. Find out earnings of the workers on the basis of Merricks Differential Piece rate system.
Piece Rate - 10 per unit
Production :
X – 90 units
Y – 100 units
Z – 130 units
Standard production – 120 units

16. Calculate normal, overtime and total wages payable to a worker from the particulars given below-

Days	Hours worked
Monday	10
Tuesday	9
Wednesday	8
Thursday	12
Friday	9
Saturday	4

Normal working hours – 8 hrs per day
Saturday – 4 hrs per day
Normal rate – 50 per day
Overtime rate – upto 9 hrs per day at single rate; and beyond 9 hours a day at double rate

17. What is apportionment of overhead? What are the principles for apportionment of overhead?

18. "Overhead which is common to two or more dept. or cost centres are required to be apportion among these depts. It has to be made on some equitable basis" Explain the important bases for apportionment of overhead.

19. 1. Compute machine hour rate for the following machine, the scrap value of which is estimated to be Rs. 2000

Cost of machine	- Rs. 60,000
Freight & installation charges	-Rs.8000
Working life of machine	-10 years

Working hours	-2200 per year.
Lubricating oil at	Rs 2 per day of 8 hours
Consumable stores at	Rs.8 per day of 8 hrs.
Salary of foreman (1/4th for machine)	-Rs.2640 per annum.
Power-	10 units per hour at 10 paise per unit.
Rent of the department (1/5 for machine)	-Rs.550 per year.
Repair charges –	50% of depreciation.

20. Prepare a cost sheet for the year 2018. Opening Raw material:Rs.40,000;Closing Raw material:Rs.25,000; Raw material purchased:Rs.2,00,000;Direct Labour:Rs.50,000; Direct Expense:Rs.10,000; Works overhead:Rs.10,000; Administration overhead:Rs.5,000; Selling and distribution overhead: Rs.5,000.

21. From the following prepare reconciliation statement. Profit as per financial books-Rs.64,450; Over recovery of administrative overheads in cost accounts-Rs.850; Loss due to obsolescence charged in financial accounts-Rs.2,850; Depreciation charged in financial accounts-Rs.5,600; Depreciation recovered in cost accounts-Rs.6,000; Loss due to depreciatiion in stock values-2,000; Interest received -4,000; Income tax provided in financial accounts-Rs.20,000; Bank interest credited in financial accounts-Rs.250; Stores adjustment credited in financial books-240; Preliminary expenses written off-Rs.1,350; Works overhead underrecovered in cost books-Rs.1,550. Profit as per cost books-Rs.86,460.

(6×5=30)

Part C

*Answer any **two** questions.*

*Each question carries **15** marks.*

22. Define Cost Accounting. Compare Cost Accounting with Financial Accounting. Give advantages of Cost Accounting over Financial Accounting.

23. Define overhead & explain the classification of overhead.

24. Following are the particulars for the production of 1,20,000 toys of Hatfeels Co. Ltd. For the year 2019.

Cost of Materials-Rs.2,75,000; Wages-1,50,000; Manufacturing expenses-Rs.1,15,000; Salaries-Rs.95,000; Rent & rates- Rs.45,000; Selling expense-Rs.32,000; General expense-Rs.10,000; Sales-Rs.9,00,000.

The company plans to manufacture 1,40,000 toys during 2020. You are required to submit a statement showing the price at which phones would be sold so as to show a profit of 15% on sales. Additional information: (a) Price of material is expected to rise by 10%. (b) Wages are expected to show an increase of 15% (c) Manufacturing expenses will rise in

proportion to the combined cost of materials and wages. (d) Selling expenses in aggregate will increase by 5%. (e) Other expenses will remain unaffected by the rise in output.

25. What is a reconciliation statement?Why is it necessary to reconcile the profit shown by cost and financial accounts? Explain the main sources of differences which would enter into such a reconciliation.

(2×15=30)