

**QP CODE**

**Enrollment Number: .....**

**C1046**

**Name: .....**

**B.COM DEGREE EXAMINATIONS, JULY 2025**

**Third Semester**

**B.Com**

**B21CM06DC – Cost Accounting**

**(2023 July admissions)**

**Time: 3 Hours**

**Max Marks: 70**

**Section A**

**Answer any ten of the following questions in a word or sentence each. Each question carries 1 mark.**

1. How will you classify costs on the basis of traceability?
2. Give two suitable examples for selling costs.
3. "XYZ enterprises is a transportation company that moves goods from one location to another. What cost unit can they use to measure the cost of a specific job?"
4. What is the term used to describe the optimal production batch size that minimizes the total cost of production?
5. In standard costing, what is the difference between the standard cost and the actual cost called?
6. What is the comprehensive financial plan that consolidates all individual budgets within an organization to provide an overall financial overview?
7. Expand the term FIFO, one of the methods used for valuing material issues.
8. Name the department which is responsible for preparing a purchase order.
9. What is the technical name given to the level of stock at which fresh order is placed?
10. What is the technical term for the total amount a firm spends to compensate its employees?
11. What is the collective term for benefits provided to employees, such as subsidized food and education?
12. What do you mean by labour turnover?
13. What do we call the process of sharing overhead costs between various departments based on a fair basis?
14. Give an example for a cost item which is shown only in cost accounts.
15. Find out the amount of prime cost from the following details –  
Materials (Direct) – Rs 4000, Materials (Indirect) – Rs 8000, Labour (Direct) – Rs 2000,  
Labour (Indirect) – Rs 1000, Expenses (Indirect) – Rs 3000

**(1X10=10)**

**Section B**

**Answer any five of the following questions in two or three sentences each. Each question carries 2 marks.**

16. What do you mean by cost allocation?

17. What do you mean by a cost centre?
18. What do you mean by capital expenditure budget?
19. Write a short note on standard costing.
20. Find out average stock level from the following information.  
 Minimum level = 200 units  
 Re order quantity = 800 Units.
21. Explain the term purchase requisition.
22. How will you calculate the labour turn over as per separation method?
23. From the following particulars calculate the earnings of Employee D, under Halsey Plan.  
 Standard time- 10 hours  
 Time rate - Rs10 per hour  
 Time taken - 9 hours
24. Write a short note on over absorption of overheads.
25. What is a cost sheet?

(2X5=10)

### Section C

**Answer any four of the following questions. Each question carries 5 marks.**

26. Explain any four methods of costing.
27. Mention any four limitations of budgetary control.
28. Explain batch costing. Give any three features of batch costing.
29. Mention any four causes of labour turn over.
30. Give any four advantages of piece rate system
31. Calculate the earnings of Mr A and Mr B under Straight Piece Rate system and Taylor's Differential Piece Rate system.

Normal rate per hour -Rs 240

Standard time per unit – 30 seconds

Standard working time = 8 hours per day

*Differentials:* 80% of the piece rate below standard.

120 % of piece rate for above standard.

Output – Mr A 800 Units per day, Mr B- 1000 Units per day.

32. Explain the functional wise classification of overheads.
33. The financial records of Blue Wave Enterprises showed a net profit of Rs 770 for the period ending 31 March 2025. Following facts are also available. Prepare reconciliation statement

Over recovery of office expenses in cost accounts Rs 350

Under recovery of work expenses in cost accounts Rs 380

Excess depreciation charged in cost accounts Rs 120

Bank charges entered only in financial books Rs 120

Charity entered only in financial books Rs 50

(5X4=20)

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**Section D**

**Answer any two of the following questions. Each question carries 15 marks.**

34. Explain the advantages and disadvantages of cost accounting.  
35. In Omega enterprises the following transactions took place in respect of a material in the month of April 2025.

1 April .2025 – Opening balance 200 units@ Rs 4 per unit  
2 April 2025 – Received 500 units @ Rs 4.5 per unit  
6 April 2025 – Issued 250 units  
12 April 2025 – Received 300 units @ Rs 5 per unit  
15 April 2025 – Received 100 units @ Rs 4 per unit  
20 April 2025 – Issued 500 units  
30 April 2025 – Issued 200 units  
30 April 2025 – Received 100 Units @ Rs 6 per unit.

Prepare stores ledger under

- a) FIFO method b) LIFO method

36. Explain the need for classifying overheads into fixed and variable.  
37. The following information has been obtained from books of Indian Manufacturing Limited for the period from 1 June 2024 to 30 June 2024.

Cost of raw materials in stock as on 1 June 2024 Rs. 30,000  
Materials purchased Rs. 4,50,000.  
Wages paid Rs. 2,00,000.  
Wages outstanding Rs. 30,000.  
Factory overhead Rs. 92,000  
Work in progress (1 June 2024) 12,000.  
Work in Progress (30 June 2024) Rs. 15000.  
Raw mate in stock Rs. 25,000.  
Opening Finished goods Rs. 60,000-Closing Finished Goods Rs. 55,000.  
Selling and distribution overheads Rs. 20,000. Rs. 9,00,000.  
Administrative overheads Rs. 30,000.

You are required to prepare a monthly cost sheet and show the amount of profit/loss.

**(15X2=30)**