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4 SEM TDC COAC (CBCS) C 408

2025

(May/June)

COMMERCE

(Core)

Paper : C-408

(Cost Accounting)

Full Marks : 80

Pass Marks : 32

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

1. (a) Fill in the blanks : 1×5=5

(i) Fixed cost per unit _____ when
volume of production increases.

(ii) _____ is the combination of direct
materials, direct labour and direct
expenses.

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(2)

- (iii) Cost of abnormal idle time and overtime is transferred to ____.
- (iv) Depreciation on showroom building is to be treated as ____ overheads.
- (v) In contract costing ____ clause allows adjustment of the prices of materials or rate of labour, etc., when these rise beyond a specified limit.

(b) Choose the correct answer : $1 \times 3 = 3$

- (i) Rent of a factory building is a variable cost / fixed cost / semi-variable cost.
- (ii) A high labour turnover increases/ decreases the cost of production.
- (iii) The basis of apportionment for canteen and staff welfare expenses is floor area occupied/number of workers/wages.

2. Write short notes on any four of the following : $4 \times 4 = 16$

- (a) Economic Order Quantity (EOQ)
- (b) LIFO

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(Continued)

(3)

- (c) Stock control
- (d) Objectives of material control
- (e) Reorder level
- (f) Bin card

3. (a) Discuss the nature of cost accounting and the different cost concepts. $7+7=14$

Or

(b) From the following information, prepare a cost sheet showing the cost and profit : 14

Opening raw materials—₹ 29,500

Closing raw materials—₹ 36,000

Opening work-in-progress—₹ 31,200

Closing work-in-progress—₹ 38,400

Opening finished goods—200 units @ ₹ 84

Closing finished goods—1600 units

Purchase of raw material—₹ 1,50,000

Carriage on purchase—₹ 1,500

Sale of scrap of raw materials—₹ 5,000

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Wages—₹ 2,97,000

Works overhead @60% of direct labour cost

Administrative overhead @ ₹ 12 per unit produced

Selling and distribution overhead @20% on selling price

Sales 7600 units at a profit of 10% on cost price

4. (a) The following are the transactions of a firm in purchase and issue of raw materials :

2.01.2023 : Purchased 4000 units @₹ 4 per unit

23.01.2023 : Purchased 500 units @₹ 5 per unit

5.02.2023 : Issued 2000 units

10.02.2023 : Purchased 6000 units @₹ 6 per unit

12.02.2023 : Issued 4000 units

2.03.2023 : Issued 1000 units

5.03.2023 : Issued 2000 units

15.03.2023 : Purchased 4500 units @₹ 5.50 per unit

20.03.2023 : Issued 3000 units

From the above, prepare Stores Ledger Account using (i) LIFO and (ii) FIFO method of pricing the issues. 7+7=14

Or

(b) (i) Describe the essential characteristics of a good system of wage payment. 7

(ii) Describe with illustration the salient features of Rowan Plan and Halsey Plan. 7

5. (a) From the following information, compute machine hour rate of a machine in a shop consisting of 3 machines occupying equal floor space. The estimated working hours per year are fixed at 2500 hours in which normal idle time is estimated at 20% of the standard time :

Rent and taxes of the shop per annum—₹ 3,600

General electricity for the shop per month—₹ 200

Repairs and maintenance expenses for the machine per annum—₹ 600

Rate of power charges for 100 units (the machine consuming 10 units per hour)—₹ 3

Foreman's salary for supervising all the machines per month—₹ 750

Indirect labour cost—₹ 2 per hour for the machine

The machine cost—₹ 1,30,000

Scrap value is estimated—₹ 10,000

Estimated life is 10 years. The Foreman devotes equal attention for each machine in the shop. 14



(b) Define job costing. Where is it applied? 2+2=4

(ii) Under what circumstances, we need to prepare reconciliation of Cost Account and Financial Account and how is it prepared? 10

(7)

Process—A Process—B

Materials (tonnes)	1000	70
Cost of materials (₹ per tonne)	125	200
Wages (₹)	28,000	10,000
Manufacturing expenses (₹)	8,000	5,250
Output (tonnes)	830	780

Prepare the Process Cost Accounts showing cost per tonnes of each process. There was no work-in-progress in any process.

6. (a) A product of a manufacturing concern possesses through two processes A and B and then to finished stock. It is ascertained that in each process 5% of the total weight is lost and 10% is scrap, which from processes A and B realises ₹ 80 per tonne and ₹ 200 per tonne respectively. The following are the figures relating to both the processes :

(b) What factors would you consider for determining the overhead absorption rate? Explain the causes of over- and under-absorption of overheads. 7+7=14

(6)