

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 86
(For candidates admitted from the academic year 2025 – 2026)

B. COM DEGREE EXAMINATION, APRIL 2026
ACCOUNTING AND FINANCE
SECOND SEMESTER

COURSE : CORE
PAPER : COST ACCOUNTING
SUBJECT CODE : 25AF/MC/CC25
TIME : 3 HOURS

MAX. MARKS: 100

SECTION A				
Q. No.	ANSWER ALL QUESTIONS	(4 x 2.5 = 10)	CO	KL
1.	Identify the meaning of the term “Cost Centre”.		1	1
2.	Write a short note on “Economic Ordering Quantity (EOQ)”.		1	1
3.	What is meant by “Labour Turnover”?		1	1
4.	List out the basis of apportionment for the following expenses: (a)Rent (b)Lighting (c)Canteen expenses (d)Power (e)Depreciation		1	1
SECTION B				
Q. No.	ANSWER ALL QUESTIONS	(4 x 5 = 20)	CO	KL
5.	In a factory 20,000 units of Product ‘A’ were manufactured in the month of July 2025. From the following particulars, prepare a cost sheet showing cost per unit: Opening stock of raw material – Rs 5,000 Purchases – Rs 55,000 Closing stock of raw material – Rs 10,000 Direct wages – Rs 25,000 Factory overheads – Rs 40,000 Office and administrative overheads – Rs 20,000		2	2
6.	Find out the economic order quantity and the number of orders per year from the following information: Monthly consumption – 3000 units Cost per unit – Rs 54 Ordering cost – Rs 150 per order Inventory carrying cost 20% of the average inventory		2	2
7.	Calculate the earnings of two workers A and B under Merrick’s Multiple Piece rate system. Given the following: Standard Production Per Day : 150 units Normal Piece Rate : Re 0.50 Per unit Production of workers on a particular day A – 120 units, B – 140 units		2	2
8.	The works overhead of a department are of Rs 3,00,000. The direct wages are Rs 3,00,000. The direct material cost is Rs 9,00,000. Ascertain the Prime cost Percentage rate of works overhead.		2	2
SECTION C				
Q. No.	ANSWER ANY TWO QUESTIONS	(2 x 10 = 20)	CO	KL
9.	From the following particulars prepare a cost sheet for the month of December 2025		3	3

	<table border="1"> <tbody> <tr> <td colspan="2">Stock on hand (December 1, 2025)</td> </tr> <tr> <td>Raw materials</td> <td>25,000</td> </tr> <tr> <td>Finished Goods</td> <td>17,300</td> </tr> <tr> <td colspan="2">Stock on hand (December 31, 2025)</td> </tr> <tr> <td>Raw materials</td> <td>26,200</td> </tr> <tr> <td>Finished Goods</td> <td>15,700</td> </tr> <tr> <td>Purchase of raw materials</td> <td>21,900</td> </tr> <tr> <td>Carriage on purchases</td> <td>1,100</td> </tr> <tr> <td>Work – in progress 1.12.25 at works cost</td> <td>8,200</td> </tr> <tr> <td>Work – in progress 31.12.25 at works cost</td> <td>9,100</td> </tr> <tr> <td>Sale of finished goods</td> <td>72,300</td> </tr> <tr> <td>Direct wages</td> <td>17,200</td> </tr> <tr> <td>Non productive wages</td> <td>800</td> </tr> <tr> <td>Direct expenses</td> <td>1,200</td> </tr> <tr> <td>Factory overheads</td> <td>8,300</td> </tr> <tr> <td>Administrative overheads</td> <td>3,200</td> </tr> <tr> <td>Selling and Distribution overheads</td> <td>4,200</td> </tr> </tbody> </table>	Stock on hand (December 1, 2025)		Raw materials	25,000	Finished Goods	17,300	Stock on hand (December 31, 2025)		Raw materials	26,200	Finished Goods	15,700	Purchase of raw materials	21,900	Carriage on purchases	1,100	Work – in progress 1.12.25 at works cost	8,200	Work – in progress 31.12.25 at works cost	9,100	Sale of finished goods	72,300	Direct wages	17,200	Non productive wages	800	Direct expenses	1,200	Factory overheads	8,300	Administrative overheads	3,200	Selling and Distribution overheads	4,200		
Stock on hand (December 1, 2025)																																					
Raw materials	25,000																																				
Finished Goods	17,300																																				
Stock on hand (December 31, 2025)																																					
Raw materials	26,200																																				
Finished Goods	15,700																																				
Purchase of raw materials	21,900																																				
Carriage on purchases	1,100																																				
Work – in progress 1.12.25 at works cost	8,200																																				
Work – in progress 31.12.25 at works cost	9,100																																				
Sale of finished goods	72,300																																				
Direct wages	17,200																																				
Non productive wages	800																																				
Direct expenses	1,200																																				
Factory overheads	8,300																																				
Administrative overheads	3,200																																				
Selling and Distribution overheads	4,200																																				
10.	<p>Calculate Reorder Level, Maximum Level, Minimum Level, Average level and Danger level.</p> <p>Material A is used as follows</p> <p>Maximum usage in a month – 600 units</p> <p>Minimum usage in a month – 400 units</p> <p>Average usage in a month – 450 units</p> <p>Lead time: Maximum 6 months, Minimum 2 months.</p> <p>Reorder quantity: 1500 units</p> <p>Maximum reorder period for emergency purchases – 1 month</p>	3	3																																		
11.	<p>(a) Calculate the total earnings from the following under Halsey-Weir plan</p> <p>Standard time – 10 hours</p> <p>Time taken – 8 hours</p> <p>Time rate – Rs 2.50 per hour</p> <p>(b) Calculate the labour cost for the month of July 2025 relating to a workman from the following:</p> <p>Basic Pay – Rs 200 per mensem</p> <p>DA – Rs150 per mensem</p> <p>Employers contribution to state insurance 6% of Basic and DA</p> <p>Fringe benefits Rs 100 per mensem</p> <p>Employers contribution to PF 5% Basic and DA</p> <p>Employees contribution to state insurance and provident fund is equal to that of employer.</p>	3	3																																		
	SECTION D																																				
Q. No.	ANSWER ANY TWO QUESTIONS (2 x 10 = 20)	CO	KL																																		
12.	<p>M/s Indu Ltd., are the manufacturers of cosmetics. The following data relate to manufacturing of cosmetics during the month of March 2025</p> <p>Raw materials consumed – Rs 20,000</p> <p>Direct wages – Rs 12,000</p> <p>Machine hours worked – 9,500 hours</p> <p>Machine hour rate – Rs 2</p> <p>Office overheads – 20% of works cost</p>	4	4																																		

	Selling overheads – Re 0.50 per unit Units Produced – 20,000 units Units sold – 18,000 units @ Rs 5 per unit. Prepare Cost sheet showing the cost and the profit per unit and the total profit earned.																																						
13.	Laxmi & Co., has purchased and issued Material D as under Simple Average Method. Prepare Stores Ledger. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">2025</th> <th style="width: 40%;">Receipts</th> <th style="width: 50%;">Issues</th> </tr> </thead> <tbody> <tr> <td>Jan1</td> <td>300 units @ Rs 10 per ut</td> <td></td> </tr> <tr> <td>10</td> <td>200 units @ Rs 12 per ut</td> <td></td> </tr> <tr> <td>12</td> <td>400 units @ Rs 11 per ut</td> <td></td> </tr> <tr> <td>15</td> <td></td> <td>250 units</td> </tr> <tr> <td>16</td> <td></td> <td>150 units</td> </tr> <tr> <td>18</td> <td>200 units @ Rs 14 per ut</td> <td></td> </tr> <tr> <td>20</td> <td></td> <td>300 units</td> </tr> <tr> <td>22</td> <td>300 units @ Rs 15 per ut</td> <td></td> </tr> <tr> <td>25</td> <td>100 units @ Rs 16 per ut</td> <td></td> </tr> <tr> <td>27</td> <td></td> <td>200 units</td> </tr> <tr> <td>31</td> <td></td> <td>100 units</td> </tr> </tbody> </table>	2025	Receipts	Issues	Jan1	300 units @ Rs 10 per ut		10	200 units @ Rs 12 per ut		12	400 units @ Rs 11 per ut		15		250 units	16		150 units	18	200 units @ Rs 14 per ut		20		300 units	22	300 units @ Rs 15 per ut		25	100 units @ Rs 16 per ut		27		200 units	31		100 units	4	4
2025	Receipts	Issues																																					
Jan1	300 units @ Rs 10 per ut																																						
10	200 units @ Rs 12 per ut																																						
12	400 units @ Rs 11 per ut																																						
15		250 units																																					
16		150 units																																					
18	200 units @ Rs 14 per ut																																						
20		300 units																																					
22	300 units @ Rs 15 per ut																																						
25	100 units @ Rs 16 per ut																																						
27		200 units																																					
31		100 units																																					
14.	A Co., has 3 production departments A, B,C and two service depts X and Y. Prepare a secondary overhead distribution summary according to Repeated Distribution Method <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Particulars</th> <th style="width: 10%;">Dept A (Rs)</th> <th style="width: 10%;">Dept B (Rs)</th> <th style="width: 10%;">Dept C (Rs)</th> <th style="width: 10%;">Dept X (Rs)</th> <th style="width: 10%;">Dept Y (Rs)</th> </tr> </thead> <tbody> <tr> <td>Overhead as per Primary Distribution</td> <td>6,300</td> <td>7,400</td> <td>2,800</td> <td>4,500</td> <td>2,000</td> </tr> </tbody> </table> <p>The Co., decided to charge the service depts cost on the basis of following percentage</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Particulars</th> <th style="width: 15%;">Dept A Production dept</th> <th style="width: 15%;">Dept B Production dept</th> <th style="width: 15%;">Dept C Production dept</th> <th style="width: 15%;">Dept X Service dept</th> <th style="width: 15%;">Dept Y Service dept</th> </tr> </thead> <tbody> <tr> <td>X</td> <td>40%</td> <td>30%</td> <td>20%</td> <td>-</td> <td>10%</td> </tr> <tr> <td>Y</td> <td>30%</td> <td>30%</td> <td>20%</td> <td>20%</td> <td>-</td> </tr> </tbody> </table>	Particulars	Dept A (Rs)	Dept B (Rs)	Dept C (Rs)	Dept X (Rs)	Dept Y (Rs)	Overhead as per Primary Distribution	6,300	7,400	2,800	4,500	2,000	Particulars	Dept A Production dept	Dept B Production dept	Dept C Production dept	Dept X Service dept	Dept Y Service dept	X	40%	30%	20%	-	10%	Y	30%	30%	20%	20%	-	4	4						
Particulars	Dept A (Rs)	Dept B (Rs)	Dept C (Rs)	Dept X (Rs)	Dept Y (Rs)																																		
Overhead as per Primary Distribution	6,300	7,400	2,800	4,500	2,000																																		
Particulars	Dept A Production dept	Dept B Production dept	Dept C Production dept	Dept X Service dept	Dept Y Service dept																																		
X	40%	30%	20%	-	10%																																		
Y	30%	30%	20%	20%	-																																		
SECTION E																																							
Q. No.	ANSWER ANY TWO QUESTIONS (2 x 15 = 30)	CO	KL																																				
15.	The accounts of a Machine Manufacturing Co., disclose the following information for the six months ending 31.12.24 <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 60%;">Materials used</td> <td style="width: 40%;">Rs 1,50,000</td> </tr> <tr> <td>Direct Wages</td> <td>Rs 1,20,000</td> </tr> <tr> <td>Factory Overheads</td> <td>Rs 30,000</td> </tr> <tr> <td>Administrative Expenses</td> <td>Rs 15,000</td> </tr> </tbody> </table> <p>Prepare Cost Sheet for the half year and calculate the price which the company should quote for the manufacture of a machine requiring materials valued at Rs 1250 and productive wages at Rs - 750, so that the price might yield a profit of 20% on the selling price.</p>	Materials used	Rs 1,50,000	Direct Wages	Rs 1,20,000	Factory Overheads	Rs 30,000	Administrative Expenses	Rs 15,000	5	5																												
Materials used	Rs 1,50,000																																						
Direct Wages	Rs 1,20,000																																						
Factory Overheads	Rs 30,000																																						
Administrative Expenses	Rs 15,000																																						

16.	<p>Work out the Machine Hour Rate for the following machine whose scrap value is nil</p> <p>(i) Cost of Machine – Rs 3,60,000 (ii) Freight and installation – Rs 40,000 (iii) Working life – 20 year (iv) Working hours – 8000 per year (v) Repair charge – 50% of depreciation (vi) Power: 10 uts per hour @ 10 paise per ut (vii) Lubricating oil @ Rs 2 per day of 8 hours (viii) Wages of operator @ Rs 4 per day</p>	5	5																																				
17.	<p>A trader deals in a single product and follows the Last In First Out (LIFO) method for pricing issues. From the following information, prepare the Stores Ledger Account for the month of January 2025.</p> <table border="1" data-bbox="389 667 1235 1167"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>Quantity (units)</th> <th>Rate per unit (₹)</th> </tr> </thead> <tbody> <tr> <td>Jan 1</td> <td>Opening Stock</td> <td>500</td> <td>10</td> </tr> <tr> <td>Jan 5</td> <td>Purchases</td> <td>300</td> <td>12</td> </tr> <tr> <td>Jan 10</td> <td>Issued to Production</td> <td>400</td> <td>—</td> </tr> <tr> <td>Jan 12</td> <td>Purchase Returns</td> <td>100</td> <td>—</td> </tr> <tr> <td>Jan 15</td> <td>Purchases</td> <td>200</td> <td>14</td> </tr> <tr> <td>Jan 18</td> <td>Issued to Production</td> <td>350</td> <td>—</td> </tr> <tr> <td>Jan 22</td> <td>Sales Returns (Good condition)</td> <td>50</td> <td>12</td> </tr> <tr> <td>Jan 25</td> <td>Loss due to Fire</td> <td>60</td> <td>—</td> </tr> </tbody> </table>	Date	Particulars	Quantity (units)	Rate per unit (₹)	Jan 1	Opening Stock	500	10	Jan 5	Purchases	300	12	Jan 10	Issued to Production	400	—	Jan 12	Purchase Returns	100	—	Jan 15	Purchases	200	14	Jan 18	Issued to Production	350	—	Jan 22	Sales Returns (Good condition)	50	12	Jan 25	Loss due to Fire	60	—	5	5
Date	Particulars	Quantity (units)	Rate per unit (₹)																																				
Jan 1	Opening Stock	500	10																																				
Jan 5	Purchases	300	12																																				
Jan 10	Issued to Production	400	—																																				
Jan 12	Purchase Returns	100	—																																				
Jan 15	Purchases	200	14																																				
Jan 18	Issued to Production	350	—																																				
Jan 22	Sales Returns (Good condition)	50	12																																				
Jan 25	Loss due to Fire	60	—																																				
18.	<p>The Cost Accounts of XYZ Ltd. show a profit of ₹1,80,000 for the year ended 31 March 2025. However, the profit as per Financial Accounts differs due to the following reasons:</p> <ol style="list-style-type: none"> 1. Factory overheads were over-absorbed in Cost Accounts by ₹20,000. 2. Administration overheads were under-absorbed in Cost Accounts by ₹12,000. 3. Interest on bank deposits ₹8,000 was recorded only in Financial Accounts. 4. Preliminary expenses written off ₹6,000 were recorded only in Financial Accounts. 5. Loss on sale of machinery ₹10,000 was recorded only in Financial Accounts. 6. Depreciation charged in Cost Accounts ₹30,000, whereas depreciation charged in Financial Accounts ₹25,000. 7. Provision for income tax ₹15,000 was recorded only in Financial Accounts. <p>Prepare a Reconciliation Statement to arrive at profit as per Financial Accounts.</p>	5	5																																				
