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

B. COM DEGREE EXAMINATION, APRIL 2026
COMMERCE
SECOND SEMESTER

COURSE : CORE
PAPER : COST ACCOUNTING
SUBJECT CODE : 25CM/MC/CT25
TIME : 3 HOURS MAX. MARKS: 100

Q. No.	**SECTION A** **Answer all the questions : (4 x 2.5 = 10)**	CO	KL
1.	Differentiate between financial accounting and cost accounting.	1	K1
2.	What are the elements of cost?	1	K1
3.	State any two features of process costing.	1	K1
4.	Write short note on Activity Based Costing.	1	K1
Q. No.	**SECTION B** **Answer all the questions : (4 x 5 = 20)**	**CO**	**KL**
5.	Calculate prime cost, factory cost, cost of production, cost of sales and profit from the following details: Direct Materials ₹ 10,000 Direct Labour ₹ 4,000 Direct Expenses ₹ 500 Factory Expenses ₹ 1,500 Administrative expenses ₹ 1,000 Selling Expenses ₹ 300 Sales ₹ 20,000	2	K 2
6.	The following quotation is received from Mr. A in respect of a material item: Lot price 2,000 units @ ₹ 5 each, 4,000 units @ ₹ 4.75 each, 6,000 units @ ₹ 4 each. Trade discount 25%, cash discount 5% (if payment is made within a fortnight), freight charges per order ₹ 200, containers charged at ₹ 0.50 each. One container is required for every 100 units, and if the containers are returned within two months, credit would be received at ₹ 0.30 each. Calculate the material cost for 6,000 units, assuming the purchaser is to purchase this lot and the containers are returned promptly.	2	K 2
7.	During the year ended 31st March, the factory overhead costs of the three production departments of an organization are as under: X ₹ 48,950 Y ₹ 89,200 Z ₹ 64,500 The basis of apportionment of overheads is given below: Department X ₹ 5 per machine hour for 1,000 hours Y 75% of direct labour cost of ₹ 1,20,000 Z ₹ 4 per piece for 15,000 pieces. Calculate department wise under – or over absorption of overheads and present the data in a tabular form.	2	K 2

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<table>
<tr><td>8.</td><td>From the following data, prepare a statement showing the cost per man day of eight hours:
a) Basic salary and dearness allowance ₹ 300 per month
b) Leave salary to workmen 6% of basic and DA
c) Employer's contribution to PF 6% of (a) and (b)
d) Employee's contribution to PF 6% of (a) and (b)
e) Pro rata expenditure on amenities to labour ₹ 25 per head per month
f) Number of working hours in a month: 200.</td><td>2</td><td>K 2</td></tr>
<tr><td></td><td>SECTION C</td><td></td><td></td></tr>
<tr><td>Q. No.</td><td>Answer any two questions : (2 x 10 = 20)</td><td>CO</td><td>KL</td></tr>
<tr><td>9.</td><td>From the following particulars, prepare a statement showing the components of the total sales and profit for the year ended 31st December.

<table>
<tr><td>Particulars</td><td>Amount</td></tr>
<tr><td>Stock of finished goods (1st Jan)</td><td>6,000</td></tr>
<tr><td>Stock of raw materials (1st Jan)</td><td>40,000</td></tr>
<tr><td>Work-in-progress (1st Jan)</td><td>15,000</td></tr>
<tr><td>Purchase of raw materials</td><td>4,75,000</td></tr>
<tr><td>Carriage inwards</td><td>12,500</td></tr>
<tr><td>Factory rent, taxes</td><td>7,250</td></tr>
<tr><td>Other production expenses</td><td>43,000</td></tr>
<tr><td>Stock of goods (31st Dec)</td><td>15,000</td></tr>
<tr><td>Wages</td><td>1,75,000</td></tr>
<tr><td>Works manager's salary</td><td>30,000</td></tr>
<tr><td>Factory employee's salary</td><td>60,000</td></tr>
<tr><td>Power expenses</td><td>9,500</td></tr>
<tr><td>General expenses</td><td>32,500</td></tr>
<tr><td>Sales</td><td>8,60,000</td></tr>
<tr><td>Stock of raw materials</td><td>50,000</td></tr>
<tr><td>Work in progress (31st Dec)</td><td>10,000</td></tr>
</table></td><td>3</td><td>K3</td></tr>
<tr><td>10</td><td>The following information pertaining to a firm is available:
Annual consumption 12,000 units (360 days)
Cost per unit ₹1
Cost per order ₹ 12
Inventory carrying cost 20% p.a.
Lead time (max -30 days, normal -15 days and min – 5 days).
Daily consumption (max – 45 units, normal – 33 units and min – 15 units)
Calculate: a) EOQ b) re-order level c) maximum stock level
d) minimum stock level e) average stock level</td><td>3</td><td>K3</td></tr>
<tr><td>11.</td><td>Standard time allotted for a job is 20 hours and the rate per hour is ₹ 2 plus a dearness allowance of ₹ 0.50 per hour worked.
The actual time taken by a worker is 15 hours. Calculate the earnings under
(a) Time system (b) piece wage system (c) Halsey plan (d) Rowan scheme.</td><td>3</td><td>K3</td></tr>
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Q. No.	SECTION D Answer any two questions : (2 x 10 = 20)	CO	KL
12.	From the following data relating to vehicle X, calculate the cost per running kilometer. Kilometers run (annual) 15,000 Tonnes per km (average) 6 Cost of the vehicle ₹ 25,000 Road license (annual) ₹750 Garage rent (annual) ₹900 Insurance (annual) ₹700 Supervisor's salary ₹ 2,400 Driver's wages per hour 3 Cost of fuel per litre 3 Kms run per litre 20 Repairs and maintenance per km 1.75 Tyre allocation per km ₹ 0.90 Estimated life of vehicle 1,00,000 km. charge interest at 5% p.a. on cost of the vehicle. The vehicle runs 20 km per hour on an average.	4	K4
13.	The monthly budget of a department is as under: Direct materials ₹ 45,000 Direct wages ₹ 60,000 Overheads ₹ 90,000 Direct labour hour 15,000 Machine hour 30,000 Find out overhead recovery rate based on labour hour, labour cost, machine hour, material cost and prime cost method.	4	K4
14.	From the following information given to you, prepare process B account, abnormal loss or gain account and normal loss account with detailed calculations: 2,000 units are transferred to process B at ₹ 4 per unit. Other details relating to the process are: Material ₹ 4,000; Labour ₹ 1,000; overhead ₹ 700. The normal loss has been estimated at 10% of the process input. Units representing normal loss can be sold at ₹ 1 per unit. Actual production in the process is 1,900 units. Output of process B is transferred to finished stock account.	4	K4
Q. No.	SECTION E Answer any two questions : (2 x 15 = 30)	CO	KL
15.	From the following data, prepare a cost sheet of a popular stove manufacturing company for the year 2024. Opening stock of material ₹ 35,000 Closing stock of material ₹ 4,900 Purchase of materials ₹ 52,500 Factory wages ₹ 95,000 Factory expenses ₹ 17,500 Establishment expenses ₹ 10,000 Opening stock of finished goods nil Closing stock of finished goods ₹ 35,000 Sales ₹ 1,89,000	5	K5

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	The number of stoves manufactured during the year was 4,000. The company wants to quote for a contract for the supply of 1,000 electric stoves during the year 2025. The stoves are of uniform make and are similar to the ones manufactured in the previous year but the cost of material has increased by 15% and the cost of factory labour by 10%. Prepare a statement showing the price to be quoted to give the same percentage of net profit on turnover as was realized in the previous year assuming the cost per unit of overhead charges will remain constant.		
16.	Prepare a store ledger account from the following transactions assuming that the issue has been priced on the FIFO basis.	5	K5

Jan 1	Opening stock 2,000 units at ₹ 26 each
2	Issued 1,000 units
3	Issued 800 units
4	Purchased 1,500 units at ₹ 27.50 each
4	Issued 400 units
5	Issued 320 units
6	Purchased 1,000 units at ₹ 29 each
7	Issued 1,400 units
8	Returned to vendor, purchased on 6th Jan, 30 units
9	Received back from work order, issued on 5th Jan, 40 units
10	Issued 500 units
11	Purchased 500 units at ₹32 each
11	Issued 400 units
13	Purchased 1,500 units at ₹ 34 each
15	Issued 300 units

On the 15th Jan when the stock is verified, it is found that the actual stock is more by 20 units.

17.	A manufacturing company having three production departments A, B, C and two service departments A and Y. the following are the budget for the year ended 31st December.	5	K5

Particulars	**Total**	**A**	**B**	**C**	**X**	**Y**
Direct Material		2,000	4,000	8,000	4,000	2,000
Direct wages		10,000	4,000	16,000	2,000	4,000
Factory rent	8,000					
Power	5,000					
Depreciation	2,000					
Other overheads	18,000					
Additional Information						
Area in sq feet		1,000	500	1,000	500	1,000
Capital value of assest (₹ in lakhs)		40	80	40	20	20
Machine hours		2,000	4,000	8,000	2,000	2,000
H.P of machines		100	80	40	30	50

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	A technical assessment of the apportionment of expenses of service department is as under: **Department** | **A** | **B** | **C** | **X** | **Y** **X** | 45% | 15% | 30% | - | 10% **Y** | 60% | 35% | - | 5% | - Required: a) A statement showing primary distribution of overheads b) A statement showing redistribution of service department expenses to production departments c) Machine hour rates of the production department A, B and C.		
18.	A product passes through three processes to completion. These processes are known as X, Y and Z. The output of each process is charged to the next process at a price calculated to give a profit of 20% on the transfer price. The output of process Z is charged to the finished stock on a similar basis. There was no partly finished stock in any process. The following information is provided as on 31st December: **Particulars** | **X** | **Y** | **Z** Materials | 4,000 | 6,000 | 2,000 Labour | 6,000 | 4,000 | 8,000 Stock on 31st December | 2000 | 4,000 | 6,000 Stock in each process were valued at cost price to the process. There was no opening stock and overheads is ignored. Of the goods passed to the finished stock account ₹ 4,000 remained in hand on 31st December and the balance has been sold for ₹ 36,000. Show the three process accounts and finished stock account.	5	K5

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