**STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.**
**(For candidates admitted during the academic year 2025-26)**

**B.Com. DEGREE EXAMINATION APRIL 2026**
**CORPORATE SECRETARYSHIP**
**SECOND SEMESTER**

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

| Q.No. | **SECTION A**<br>**Answer all the Questions (4x2.5=10)** | CO | KL |
|---|---|---|---|
| 1 | State any two difference between financial accounting and cost accounting. | 1 | K1 |
| 2 | Recall the meaning of EOQ. | 1 | K1 |
| 3 | Give any three causes of Labour Turnover. | 1 | K1 |
| 4 | State the meaning of Operating Costing with an example. | 1 | K1 |
| **Q.No.** | **SECTION B**<br>**Answer all the Questions (4x5=20)** | **CO** | **KL** |
| 5 | A Factory produces 100 units of a commodity. The cost of production is:<br>Particulars Rs.<br>Direct Materials 10,000<br>Direct Wages 5,000<br>Direct Expenses 1,000<br>Factory Overheads 6,500<br>Administrative overheads 3,480<br>If profit of 25% on sales is to be realised what would be the selling price of each unit of the commodity? Prepare the Cost Sheet. | 2 | K2 |
| 6 | Material 'A' is used as follows:<br>Maximum usage in a month 600 Units<br>Minimum usage in a month 400 Units<br>Average usage in a month 450 Units<br>Lead time: Maximum 6 months, minimum 2 months. Reorder Quantity: 1,500 Units.<br>Maximum reorder period for emergency purchases – 1 month<br>Calculate<br>(a) Reorder level<br>(b) Maximum level<br>(c) Minimum level<br>(d) Average stock level | 2 | K2 |
| 7 | A product passes through two processes. The following details relate to process 'A'. You are required to ascertain the process cost to be transferred to process 'B'. | 2 | K2 |

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|---|---|---|---|
| | Particulars Rs.<br>Direct materials (100 units) 12,000<br>Direct wages 8,000<br>Direct expenses 5,000<br>Overheads 11,000<br>Input 1000 units; output 1000 units as there was no loss of units. Prepare Process A a/c. | | |
| 8 | What are these bases for the appointment of expenses given below, to the different departments?<br>(i) Depreciation on machine<br>(ii) Canteen expenses<br>(iii) Labour welfare expenses<br>(iv) Rent of building<br>(v) Sales expenses | 2 | K2 |
| | **SECTION C** | | |
| **Q.No.** | **Answer any two Questions (2x10=20)** | **CO** | **KL** |
| 9 | The following extracts on costing information relate to commodity 'A' for the year ending 31-3-2024<br>Particulars Rs.<br>Purchase of raw material 48,000<br>Direct Wages 40,000<br>Stock on 1-4-2023 of raw materials 8,000<br>Finished goods 1,600 units 6,400<br>Stock on 31-3-2024 of raw materials 8,800<br>Finished good 3,200 units -<br>Works on Cost 16,800<br>Work in Progress:<br>1st April 2023 1,920<br>31st March 2024 6,400<br>Office and administrative overheads 3,200<br>Sales (finishes product) 1,20,000<br>Advertising discount allowed and selling cost are Re. 0.40 per unit. During the year, 25,600 units of commodity were produced.<br>Prepare Cost sheet with cost per unit. | 3 | K3 |
| 10 | Work out the machine hour rate for the following machine.<br>(i) Cost of machine Rs. 3,60,000<br>(ii) Freight and installation Rs. 40,000<br>(iii) Working life: 20 years<br>(iv) Working hours : 8,000 per year<br>(v) Repair Charges : 50% of depreciation<br>(vi) Power : 10 units per hour @ 10 paise per unit<br>(vii) Lubricating oil @ Rs.2 per day of 8 hours<br>(viii) Conusumable stores @ Rs. 10 per day of 8 hours<br>(ix) Wages of operator @ Rs. 4 per day | 3 | K3 |

<table>
<tr><td>11</td><td>Calculate the earnings of workers X and Y under (A) Straight piece rate system and (B) Taylor's differential piece rate system from the following details:<br>Standard time per unit = 12 minutes<br>Standard rate per hour = Rs. 60<br>Differentials to be used 80% and 120%<br>In a particular day of 8 hours, worker 'X' produced 30 units and worker 'Y' produced 50 units.</td><td>3</td><td>K3</td></tr>
<tr><td></td><td>SECTION D</td><td></td><td></td></tr>
<tr><td>Q.No.</td><td>Answer any two Questions (2x10=20)</td><td>CO</td><td>KL</td></tr>
<tr><td>12</td><td>From the following particulars, prepare stores ledger by adopting simple average method of pricing of material issues.
<table>
<tr><td>Date</td><td>Receipts</td><td>Issues</td></tr>
<tr><td>2024 Jan 1</td><td>300 units at Rs. 10 per unit</td><td></td></tr>
<tr><td>10</td><td>200 units at Rs. 12 per unit</td><td></td></tr>
<tr><td>12</td><td>400 units at Rs. 11 per unit</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 at Rs. 14 per unit</td><td></td></tr>
<tr><td>20</td><td></td><td>300 units</td></tr>
<tr><td>22</td><td>300 units at Rs. 15 per unit</td><td></td></tr>
<tr><td>25</td><td>100 units at Rs. 16 per unit</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>
</table></td><td>4</td><td>K4</td></tr>
<tr><td>13</td><td>Prepare a process account from the following along with abnormal loss account and normal loss account.<br>Material issue to process 1000 kgs at Rs. 200 each; wages Rs. 1,40,000 and overhead Rs. 20,000. Normal loss 10 % of input. Actual output 800 kgs.</td><td>4</td><td>K4</td></tr>
<tr><td>14</td><td>Mr. Subramanyan furnishes you the following data and wants you to compute the cost per running km of vehicle<br>
<table>
<tr><td></td><td></td><td>Rs.</td></tr>
<tr><td>Cost of Vehicle</td><td></td><td>2,50,000</td></tr>
<tr><td>Road license per year</td><td></td><td>800</td></tr>
<tr><td>Annual supervision & salaries</td><td></td><td>2,700</td></tr>
<tr><td>Driver's wages per hour</td><td></td><td>4</td></tr>
<tr><td>Cost of fuel per litre</td><td></td><td>12</td></tr>
<tr><td>Repairs & maintenance per km</td><td></td><td>2</td></tr>
<tr><td>Tyre cost per km</td><td></td><td>1</td></tr>
<tr><td>Insurance premium p.a</td><td></td><td>700</td></tr>
<tr><td>Garage rent per year</td><td></td><td>1300</td></tr>
<tr><td>Kms run per litre</td><td>20</td><td></td></tr>
<tr><td>Kms run during the year</td><td>15,000</td><td></td></tr>
<tr><td>Estimated life of vehicle in Kms</td><td>1,00,000</td><td></td></tr>
<tr><td>Average tonnage carried</td><td>6</td><td></td></tr>
</table>
Charge interest at 5% per annum on cost of vehicle. The vehicle runs 20 kms per hour on an average.</td><td>4</td><td>K4</td></tr>
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| Q.No. | SECTION E<br>Answer any two questions (2x15=30) | CO | KL |
|---|---|---|---|
| 15 | Draw a stores ledger card recording the following transactions under FIFO method<br>2025 July<br>1 Opening stock 2,000 unit at Rs. 10 each<br>5 Received 1,000 units at Rs. 11 each<br>6 Issued 500 units<br>10 Received 5,000 units at Rs. 12 each.<br>12 Received back 50 units out of the issue made on 6th July.<br>14 Issued 600 units.<br>18 Returned to supplier 100 units out of goods received on 5th.<br>19 Received back 100 units out of the issue made on 14 July.<br>20 Issued 150 units<br>25 Received 500 units at Rs. 14 each.<br>28 Issued 300 units.<br>The stock verification report reveals that there was a shortage of 10 units on 18th July and another shortage of 15 units on 26th July. | 5 | K5 |
| 16 | In respect of a factory, the following figures have been obtained for the year 2022.<br>Rs.<br>Cost of materials 3,00,000<br>Direct wages 2,50,000<br>Factory overheads 1,50,000<br>Administration overheads 1,68,000<br>Selling overheads 1,12,000<br>Distribution overheads 70,000<br>Profit 2,10,000<br>A work order has been executed in 2023 and the following expenses have been incurred:<br>Materials- Rs. 16,000, and wages Rs. 10,000.<br>Assuming that in 2023, the rate of factory overheads has increased by 20 % distribution overheads have gone down by 10 % and selling and administration overheads have each gone up by 12 ½%, at what price should the product be sold so as to earn the same rate of profit on the selling price as in 2023?<br>Factory overhead is based on direct wages while all other overheads are based on factory costs. | 5 | K5 |

<table>
<tr>
<td>17</td>
<td>Modern Manufacturers Ltd. Have three production departments P1, P2 and P3 and two services departments S1 and S2, the details pertaining to which are as under:
<table>
<tr><th></th><th>P1</th><th>P2</th><th>P3</th><th>S1</th><th>S2</th></tr>
<tr><td>Direct Wages Rs.</td><td>30,000</td><td>20,000</td><td>30,000</td><td>15,000</td><td>5,000</td></tr>
<tr><td>Working hours</td><td>3,070</td><td>4,475</td><td>2,419</td><td>-</td><td>-</td></tr>
<tr><td>Value of machine (Rs.)</td><td>6,00,000</td><td>8,00,000</td><td>10,00,000</td><td>50,000</td><td>50,000</td></tr>
<tr><td>H.P of machine</td><td>60</td><td>30</td><td>50</td><td>10</td><td>-</td></tr>
<tr><td>Light Point</td><td>100</td><td>150</td><td>200</td><td>100</td><td>50</td></tr>
<tr><td>Floor Space (Sq.feet)</td><td>20,000</td><td>25,000</td><td>30,000</td><td>20,000</td><td>5,000</td></tr>
</table>
The following figures extracted from the accounting records are relevant. Rent Rs.15,000; General Lighting Rs. 6,600; Indirect wages Rs. 20,000; power Rs. 15,000; Depreciation on machines Rs. 1,00,000 and sundries Rs. 10,000.<br>
The expenses of service departments are allocated as under
<table>
<tr><th></th><th>P1</th><th>P2</th><th>P3</th><th>S1</th><th>S2</th></tr>
<tr><td>S1</td><td>20%</td><td>30%</td><td>40%</td><td>-</td><td>10%</td></tr>
<tr><td>S2</td><td>40%</td><td>20%</td><td>30%</td><td>10%</td><td>-</td></tr>
</table>
Calculate Primary distribution and secondary distribution of overheads. Also compute overhead recovery rate on the basis of working hours.</td>
<td>5</td>
<td>K5</td>
</tr>
<tr>
<td>18</td>
<td>A product process through three processes I,11 and II, From the following information prepare the process accounts assuming that there were no opening or closing stocks.
<table>
<tr><th></th><th>Process I Rs.</th><th>Process II Rs.</th><th>Process III Rs.</th></tr>
<tr><td>Materials</td><td>1,000</td><td>1,500</td><td>500</td></tr>
<tr><td>Labour</td><td>5,000</td><td>8,000</td><td>6,500</td></tr>
<tr><td>Overheads</td><td>1,050</td><td>1,188</td><td>2,009</td></tr>
<tr><td>Actual Output (Units)</td><td>9,500</td><td>9,100</td><td>8,100</td></tr>
<tr><td>Normal loss</td><td>3%</td><td>5%</td><td>8%</td></tr>
</table>
The wastage of process I was sold at 25 paise per unit, that of process II at 50 paise per unit and that of process III at Rs. 1 per unit.<br>
Raw materials of 10,000 units were introduced into process I in the beginning at a cost of Rs. 1 per unit.</td>
<td>5</td>
<td>K5</td>
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