



**Term Evaluation (Even) Semester Examination March 2025**

Roll no. 2391021

Name of the Course: B Com (Hons.)

Semester: IV

Name of the Paper: Cost Accounting

Paper Code: BCH 402

Time: 1.5 hour

**Maximum Marks: 50**

**Note:**

- (i) Answer all the questions by choosing any one of the sub-questions
- (ii) Each question carries 10 marks.

Q1.

CO1..... (10 Marks)

a. What is the purpose of introducing cost accounting in a business setting? Explain in detail.

OR

b. A factory produces 350 units of a commodity. The cost of production is in respect of these units are:

Direct materials Rs. 18,000

Direct wages Rs. 8,500

Direct expenses Rs 1,900

Factory overheads Rs 8,000

Administrative overheads Rs 4,000

Selling overheads Rs. 2,400

If profit is 25% on sales to be maintained, what would be the selling price of each unit of the commodity? Prepare cost sheet showing total cost and per unit cost.

Q2.

CO2..... (10 Marks)

a. What are the different stock levels to be maintained for material control?

OR

b. The annual consumption of material A is 24000 litres. The cost of ordering per order is Rs. 20/- and the average inventory carrying cost per item per year is Re. 0.075, price per unit is Rs.

20. Calculate the Economic Order Quantity and Total Inventory Cost.

Q3.

CO3..... (10 Marks)

a. Discuss the differences between cost accounting and financial accounting on the basis of their relevance.

OR

b. Prepare the stock ledger account on the basis of weighted average method of issuing material to the production department on the basis of following information:

Date	Quantity Purchased (Kg)	Rate per unit (Rs.)	Quantity Issued (Kg)
2 <sup>nd</sup> March, 2025	500	25	
5 <sup>th</sup> March, 2025			450
10 <sup>th</sup> March, 2025	600	22	
15 <sup>th</sup> March, 2025	450	25	
20 <sup>th</sup> March, 2025			800



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25 <sup>th</sup> March, 2025	300	28	
28 <sup>th</sup> March, 2025	400	26	
30 <sup>th</sup> March, 2025			600

Q4.

CO4..... (10 Marks)

- (a) In a factory the production was 50,000 units and prime cost per unit was thus: Direct materials per unit Rs. 2.00, Direct wages per unit Rs.1.50. The selling price was Rs. 5.00 per unit and all the units produced were sold.

Additional information:

Rent and taxes of factory premises Rs. 2,800

Factory lighting and power Rs. 5,200

Depreciation (plant) Rs. 7,000

Staff salaries Rs. 24,000

Management Salaries Rs. 12,000

Coal Rs. 9,000

Indirect wages Rs. 24,500

Repairs and maintenance of plants Rs. 20,000

Cost of rectification of defective work Rs. 5,600

Consumable stores Rs. 15,000

Selling expenses Rs. 14,700

General Expenses Rs. 9,200

Receipts from sale of scrap Rs. 2,400

Prepare a cost sheet.

OR

- (b) Calculate Total Cost based on the following information:

Productive wages paid Rs. 35,000

Unproductive wages paid Rs. 8,500

Chargeable expenses Rs. 7,600

Materials used in Manufacturing Rs. 72,000

Materials used in final packing Rs. 4,600

Productive wages accrued Rs. 3,000

Freight on materials purchased Rs. 870

Import duty on materials Rs. 2,130

Factory Depreciation Rs. 32,000

Showroom Rent Rs. 15,000

Advertisement Expenses Rs. 40,000

Carriage Outward Rs. 8,000

Q5.

CO5..... (10 Marks)

- (a) Calculate:

Re order level

Maximum level

Minimum level

Normal usage: 2000 units per day

Minimum Usage: 1200 units per day



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Maximum Usage: 2600 units per day

E.O.Q: 100000 units

Re order period: 25-30 days

OR

(b) Advantages of cost accounting to:

Producers

Employees

Managers