

**SET : B**

**Sr. No. of Question Paper : 6558**

**Your Roll No.....**

**Paper Code : 2412253502**

**Name of the Paper : COST ACCOUNTING**

**Name of the Course : BA (P)**

**Semester : V**

**Duration : 3 Hours**

**Maximum Marks : 90**



**Instructions for Candidates**

- 1. Write your Roll No. on the top immediately on receipt of this question paper.**
- 2. Attempt all questions and each question carries equal marks.**
- 3. Answers may be written either in English or in Hindi; but the same medium should be used throughout the paper.**
- 4. Use of simple calculator is allowed.**

**Question No. 1**

(a) "Evolution of cost accounting system is the outcome of deficiencies in financial accounting system". In the light of this statement distinguish between financial accounting and cost accounting.

(b) Distinguish between

- (i) Normal Cost and Abnormal Cost
- (ii) Direct cost and Indirect Cost
- (iii) Controllable cost and Uncontrollable Cost

OR

The DDC Ltd. supplies you the following details from its cost records:

Particulars	₹
Stock of raw materials on 1.1.2025	3,75,000
Stock of raw materials on 31.1.2025	5,40,000
Direct wages	2,40,000
Indirect wages	18,000
Work-in-progress 1.1.2025	1,68,000
Work-in-progress 31.1.2025	2,10,000
Purchase of raw materials	4,80,000
Factory rent, rates and power	90,000
Depreciation of plant and machinery	21,000
Royalty payments	75,000
Expenses incurred on quality check activities	30,000

Office and Administrative expenses (Factory office)	75,000
Office and Administrative expenses (General office expenses)	30,000
Carriage inward	9,000
Carriage outward	6,000
Advertising	15,000
Traveller's wages	36,000
Stock of finished goods on 1.1.2025 (3,000 units)	1,62,000
Stock of finished goods on 31.1.2025 (6,000 units)	?
Interest on the hire-purchase installments	6,000

Prepare a cost sheet giving the cost and profit. The company wants to have a profit of 25 % on cost. The units manufactured during the month were 30,000 units.

### Question No. 2

(a) The following information relates to workforce in a factory during the year 2023–24:

Number of workers on 1 April 2023	2,350
Number of workers on 31 March 2024	2,850
Number of workers who quit on their own	200
Number of workers who availed golden handshake opportunity	100
Number of workers employed during 2023–24 including those employed due to expansion	800

You are required to calculate annual labour turnover rate and equivalent monthly turnover rate under Separation Method, Replacement Rate Method and Flux Method.

(b) Explain the meaning and accounting treatment of the following in cost accounts:

- (i) Waste
- (ii) Scrap
- (iii) Defective
- (iv) Spoilage

OR

(a) The following information is related to material X:

Maximum Consumption	:	600 units per month
Minimum Consumption	:	100 units per month
Normal Consumption	:	300 units per month
Yearly Consumption	:	3600 units per month
Storage Cost	:	50% of Stock Value
Ordering Cost	:	₹ 400 per order
Price of Material	:	₹ 64 per unit
Re-order period	:	4 to 8 weeks

Find out:

- (i) Re-order Level
- (ii) Minimum Stock Level
- (iii) Maximum Stock Level
- (iv) Average Stock Level

(b) What is the idle time? What are the possible causes of idle time? How do you treat idle time in cost accounts?

**Question No. 3**

- (a) Explain the meaning of classification, allocation, apportionment, reapportionment and absorption of overheads.
- (b) What do you mean by under absorption and over absorption of overheads? What are its causes? How do you account for them?

OR

A machine was purchased for ₹ 5 lakh. The total cost of all machinery inclusive of the new machine was ₹ 75 lakh. The following further particulars are available:

Expected life of the machine	10 years
Scrap value at the end of ten years	₹ 5,000
Repairs and maintenance for the machine during the year	₹ 2,000
Expected number of working hours of the machine per year	4,000 hours
Insurance premium annually for all the machines	₹ 4,500
Electricity consumption for the machine per hour (@ 75 paise per unit)	25 units
Area occupied by the machine	100 sq. ft
Area occupied by other machines	1500 sq. ft
Rent per month of the department	₹ 800
Lighting charges for 20 points for the whole department, out of which three points are for the machine	₹ 120 per month

Compute the machine hour rate for the new machine on the basis of the data given above.

**Question No. 4**

From the following particulars, compute the amount of profit to be transferred to profit and loss account by four methods on a contract which is 80% complete.

Contract price	₹ 21,42,000
Work certified	₹ 14,00,000

Work not certified	₹ 1,19,000
Total expenditure to date	₹ 11,90,000
Estimated further expenditure to complete the contract	₹ 2,38,000
Cash received	₹ 11,42,400

OR

A product passes through three processes *A*, *B* and *C*. The normal wastage of each process is as follows: Process *A*-3 per cent, Process *B*-5 per cent, and Process *C*-8 per cent. Wastage of Process *A* was sold at ₹ 0.25 per unit, that of Process *B* at ₹ 0.50 per unit and that of Process *C* at ₹ 1 per unit.

10,000 units were issued to Process *A* in the beginning at a cost of ₹ 1 per unit. The other expenses were as follows:

	<i>Process A</i>	<i>Process B</i>	<i>Process C</i>
Sundry materials (₹)	1,000	1,500	500
Labour (₹)	5,000	8,000	6,500
Direct expenses (₹)	1,050	1,188	2,009
Actual output	9,500 units	9,100 units	8,100 units

Prepare the Process Accounts, assuming that there were no opening or closing stocks. Also give the Abnormal Wastage, Normal Loss and Abnormal Gain Accounts.

### Question No. 5

(a) You are given the following data:

Selling price per unit            ₹ 60

Variable cost per unit	₹ 45
Fixed Cost for the year	₹ 18,90,000

Calculate:

- (i) Sales to earn a profit of 10% on sales
- (ii) Selling price per unit to bring BEP down to 3,60,000 units
- (iii) Margin of safety sales if profit is ₹ 180,000

(b) Write notes on the following:

- (i) Limitations of Break-even analysis
- (ii) Cost Break-even point

OR

(a) The following data is given:

Selling price per unit	₹ 40
Variable Factory overheads cost per unit	₹ 22
Variable selling cost per unit	₹ 6
Fixed factory overheads per year	₹ 10,80,000
Fixed selling cost per year	₹ 5,04,000

Calculate:

- (i) P/V ratio
- (ii) Break-even Point
- (iii) Sales to earn a profit of 10% on sales

(b) Write notes on the following:

(i) Key factor and its significance

(ii) Cost-volume profit analysis

**(2000)**