

**7013**

Third Semester 5 Year B.Com.LL.B. Examination, January/February 2026 (Odd Sem.)
COST ACCOUNTING

Duration : 3 Hours

Max. Marks : 80

- Instructions :**
1. Answer all five Units.
 2. One essay type question and short note/problems is compulsory from each Unit.
 3. Figures to the right indicate marks.
 4. Answer should be written in English.

UNIT – I

Q. No. 1. (a) The particulars of a factory for the year 2022 are given below.

Marks : 10

	Rs.		Rs.
Raw materials	3,00,000	Selling overhead	1,12,000
Direct wages	1,68,000	Distribution overhead	70,000
Works overhead	1,50,000	Net profit	1,10,000
Office overhead	1,68,000		

In 2023, the expenses incurred on the execution of a work order :

Raw materials Rs. 9,000

Wages Rs. 4,000

What should be the price of these jobs ? The factory recovers factory overheads as a percentage of direct wages and office, selling and distribution overheads as a percentage of works cost, based on cost rates prevailing in the previous year.

OR

Q. No. 1. (a) Explain the steps involved in installation of Cost Accounting System.

Marks : 10

Q. No. 1. (b) The following data relate to ABC Ltd. during the month of March 2021.

Marks : 6

Raw materials consumed	Rs. 10,000
Direct wages	Rs. 6,000
Machine hours worked	4500 hours
Machine hour rate	Rs. 2
Office overheads	20% of Works Cost
Selling overheads	50 paise per unit
Units produced and sold	20000 units

Prepare cost sheet showing the cost and profit per unit and total profit earned.

OR

Q. No. 1. (b) Write a short note on Cost Sheet.

Marks : 6

P.T.O.



UNIT – II

Q. No. 2. (a) From the following particular, prepare stores ledger account based on LIFO Method and Weighted Average Method.

Marks : 10

April 2022 1 Opening balance 200 units at Rs. 2/unit
 5 Purchased 400 units at Rs. 3/unit
 10 Issued 250 units
 16 Purchased 500 units at Rs. 3/unit
 20 Issued 300 units
 30 Purchased 200 units at Rs. 4/unit
 May 1 Issued 500 units.

OR

Q. No. 2. (a) Discuss various Inventory Control Techniques.

Marks : 10

Q. No. 2. (b) A Ltd. is a manufacturer of energy saving bulbs.
 Annual requirement of component 'LED' is 72000 units
 Cost per unit Rs. 300/unit
 Carrying cost of inventory 12% p.a.
 Cost of placing an order Rs. 2,250
 Lead Time : Maximum 20 days

Marks : 6

Minimum 8 days

Average 14 days

Consumption : Maximum 400 units/day

Minimum 200 units/day

Average 300 units/day

You are required to calculate :

- 1) Re-order quantity
- 2) Re-ordering level
- 3) Minimum stock level
- 4) Maximum stock level.

OR

Q. No. 2. (b) Write a short note on centralised and decentralised purchasing system. Marks : 6

UNIT – III

Q. No. 3. (a) Discuss the various methods of remuneration and incentives to labour.

Marks : 10

OR

Q. No. 3. (a) You are required to ascertain the wages paid to workers A and B under the Taylor's system.

Marks : 10

Standard time allowed – 100 units per hour

Normal wage rate – Rs. 10 per hour

Differentiate rates to be applied :

80% of piece rate below standard

120% of piece rate above standard

The workers have produced (in a day of 8 working hours) units as follows :

X – 600 units

Y – 1450 units.



- Q. No. 3. (b) A worker takes 18 hours to complete a job on daily wages and 12 hours on a scheme of payment of results. His daily rate is 75 paise per hour. Calculate the earnings of the worker under time rate system, Halsey Plan and Rowan Plan.

Marks : 6

OR

- Q. No. 3. (b) Write a short note on Labour Turnover.

Marks : 6

UNIT – IV

- Q. No. 4. (a) A company has 3 production department and 2 service departments. Distribution summary of overheads is as follows :

Marks : 10

Production Department	A	13,600
	B	14,700
	C	12,800
Service Department	X	9,000
	Y	3,000

The expenses of service departments are changed on a percentage basic which is as follows :

	A	B	C	X	Y
X Dept.	40%	30%	20%	–	10%
Y Dept.	30%	30%	20%	20%	–

Apportion the cost of service department by using Direct Redistribution Method and Repeated Distribution Method.

OR

- Q. No. 4. (a) Define Overhead and explain various classification of overheads.

Marks : 10

- Q. No. 4. (b) Write a short note on reasons for under absorption of overheads.

Marks : 6

OR

- Q. No. 4. (b) Calculate the machine hour rate for the following machine whose scrap is Nil.

Cost of Machine	Rs. 90,000
Other charges i.e. Freight and Installation	Rs. 10,000
Working life	10 years
Working hours	2000 per year
Repair charges	50% of depreciation
Power – 10 units per hour @ 10 paise per unit.	
Lubricating oil @ Rs. 2 per day of 8 hours.	
Consumable stores @ Rs. 10 per day of 8 hours.	
Wages of operator @ Rs. 4 per day.	

Marks : 6



UNIT – V

- Q. No. 5. (a) Prepare a flexible budget for overheads on the basis of the following data. Ascertain the overhead rates at 80% and 60% capacity

Marks : 10

Variable overhead	At 60% Capacity (Rs.)
Indirect material	6,000
Labour	18,000
Semi-variable overhead	
Electricity (40% fixed and 60% variable)	30,000
Repairs (80% fixed and 20% variable)	3,000
Fixed overheads	
Depreciation	16,500
Insurance	4,500
Salaries	15,000
Total overheads	93,000
Estimated direct labour hours	1,86,000

OR

- Q. No. 5. (a) A Ltd. furnished the following information.

Marks : 10

Particulars	2005	2006
Sales (Rs. 10/unit)	Rs. 2,00,000	Rs. 2,50,000
Profit	Rs. 30,000	Rs. 50,000

You are required to compute :

- P/V ratio
- Break even point
- Sales required to earn profit of Rs. 60,000
- Profit/loss when sales are Rs. 2,00,000.

- Q. No. 5. (b) Write a short note on flexible budget.

Marks : 6

OR

- Q. No. 5. (b) Write a short note on P/V ratio and Break Even Point.

Marks : 6