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# 4 SEM TDC COAC (CBCS) C 408

## 2025

( May/June )

## COMMERCE

( Core )

Paper : C–408

**( Cost Accounting )**

*Full Marks* : 80

*Pass Marks* : 32

*Time* : 3 hours

*The figures in the margin indicate full marks for the questions*

**1.** *(a)* Fill in the blanks : 1×5=5

*(i)* Fixed cost per unit _____ when volume of production increases.

*(ii)* _____ is the combination of direct materials, direct labour and direct expenses.

(iii) Cost of abnormal idle time and overtime is transferred to _____.

(iv) Depreciation on showroom building is to be treated as _____ overheads.

(v) In contract costing _____ clause allows adjustment of the prices of materials or rate of labour, etc., when these rise beyond a specified limit.

(b) Choose the correct answer : 1×3=3

(i) Rent of a factory building is a variable cost / fixed cost / semi-variable cost.

(ii) A high labour turnover increases/ decreases the cost of production.

(iii) The basis of apportionment for canteen and staff welfare expenses is floor area occupied/number of workers/wages.

**2.** Write short notes on any *four* of the following : 4×4=16

(a) Economic Order Quantity (EOQ)

(b) LIFO

(c) Stock control

(d) Objectives of material control

(e) Reorder level

(f) Bin card

3. (a) Discuss the nature of cost accounting and the different cost concepts. 7+7=14

*Or*

(b) From the following information, prepare a cost sheet showing the cost and profit : 14

Opening raw materials—₹ 29,500

Closing raw materials—₹ 36,000

Opening work-in-progress—₹ 31,200

Closing work-in-progress—₹ 38,400

Opening finished goods—200 units @ ₹ 84

Closing finished goods—1600 units

Purchase of raw material—₹ 1,50,000

Carriage on purchase—₹ 1,500

Sale of scrap of raw materials—₹ 5,000

Wages—₹ 2,97,000

Works overhead @60% of direct labour cost

Administrative overhead @₹ 12 per unit produced

Selling and distribution overhead @20% on selling price

Sales 7600 units at a profit of 10% on cost price

**4.** *(a)* The following are the transactions of a firm in purchase and issue of raw materials :

2.01.2023 : Purchased 4000 units @₹ 4 per unit

23.01.2023 : Purchased 500 units @₹ 5 per unit

5.02.2023 : Issued 2000 units

10.02.2023 : Purchased 6000 units @₹ 6 per unit

12.02.2023 : Issued 4000 units

2.03.2023 : Issued 1000 units

5.03.2023 : Issued 2000 units

15.03.2023 : Purchased 4500 units @₹ 5·50 per unit

20.03.2023 : Issued 3000 units

From the above, prepare Stores Ledger Account using *(i)* LIFO and *(ii)* FIFO method of pricing the issues. 7+7=14

*Or*

(b) (i) Describe the essential characteristics of a good system of wage payment. 7

(ii) Describe with illustration the salient features of Rowan Plan and Halsey Plan. 7

**5.** (a) From the following information, compute machine hour rate of a machine in a shop consisting of 3 machines occupying equal floor space. The estimated working hours per year are fixed at 2500 hours in which normal idle time is estimated at 20% of the standard time :

Rent and taxes of the shop per annum—₹ 3,600

General electricity for the shop per month—₹ 200

Repairs and maintenance expenses for the machine per annum—₹ 600

Rate of power charges for 100 units (the machine consuming 10 units per hour)—₹ 3

Foreman's salary for supervising all the machines per month—₹ 750

Indirect labour cost—₹ 2 per hour for the machine

The machine cost—₹ 1,30,000

Scrap value is estimated—₹ 10,000

Estimated life is 10 years. The Foreman devotes equal attention for each machine in the shop. 14

*Or*

*(b)* What factors would you consider for determining the overhead absorption rate? Explain the causes of over- and under-absorption of overheads. 7+7=14

**6.** *(a)* A product of a manufacturing concern possesses through two processes *A* and *B* and then to finished stock. It is ascertained that in each process 5% of the total weight is lost and 10% is scrap, which from processes *A* and *B* realises ₹ 80 per tonne and ₹ 200 per tonne respectively. The following are the figures relating to both the processes :

| | *Process—A* | *Process—B* |
|---|---|---|
| Materials (tonnes) | 1000 | 70 |
| Cost of materials (₹ per tonne) | 125 | 200 |
| Wages (₹) | 28,000 | 10,000 |
| Manufacturing expenses (₹) | 8,000 | 5,250 |
| Output (tonnes) | 830 | 780 |

Prepare the Process Cost Accounts showing cost per tonnes of each process. There was no work-in-progress in any process. 14

*Or*

*(b)* *(i)* Define job costing. Where is it applied? 2+2=4

*(ii)* Under what circumstances, we need to prepare reconciliation of Cost Account and Financial Account and how is it prepared? 10

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