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Reg. No.....

Name.....

B.Com. DEGREE (C.B.C.S.S.) EXAMINATION, JUNE 2026

Fifth Semester

Commerce

Core Course—COST ACCOUNTING

(Common for Co-operation, Finance and Taxation and Travel and Tourism)
(2014 - 2016 Admissions - Mercy Chance)

[For Private Registration Candidates]

Time : Three Hours | Maximum Weight : 25

Instructions : *This question paper contains* **two sections**. *Answer* **Section I** *questions in the answer book provided.* **Section II Internal Examination** *questions must be answered in the* **question paper** *itself. Follow the detailed instructions given under* **Section II**.

Section I

Part A

Answer **all** *questions.*
Each bunch of four questions carries a weight of 1.

I. Choose the correct answer from the choices given :

1 A ——— is a location, person or item of equipment for which cost is ascertained ?

(a) Cost unit. (b) Cost centre.
(c) Production centre. (d) Work centre.

2 Primary packing material comes under ——— material.

(a) Direct. (b) Indirect.
(c) Overheads. (d) None of these.

3 Time keeping records are prepared by ——— department.

(a) Production. (b) Service.
(c) Personnel. (d) Works.

4 Labour hour rate is a method of overhead ———.

(a) absorption. (b) allocation.
(c) recovery. (d) division.

Turn over

II. Fill in the blanks :

5 Factory cost is also known as ————.

6 Cost of sample is an example of ———— overhead.

7 The record that shows both quantity and value of materials is known as ————

8 ———— cost increase in aggregate as the production goes up and it correspondingly decreases when production comes down.

III. State whether the following statements are true or false.

9 Stores department issues materials on the basis of purchase requisition.

10 Interest on bank loan is a financial charges.

11 Stores ledger is prepared by Production department.

12 Power failure is a reason for normal idle time.

IV. Match the following :

13 Direct labour	a) works cost
14 Machine hour rate	b) Total cost
15 Factory cost	c) Charged to a Job
16 Bin card	d) Service department.
	e) Absorption of overhead.
	f) Entries are made stores personnel

(4 × 1 = 4)

Part B

Answer any **five** *questions.*

Each question carries a weight of 1.

17 Define Sunk cost.

18 What is a bill of material ?

19 What do you mean by base stock ?

20 Mention any four advantages of LIFO method.

21 Write a short note on Rowan plan.

22 What is profit sharing ?

23 Define overhead absorption.

24 List any four advantages of cost sheet.

(5 × 1 = 5)

Part C

Answer any **four** *questions.*
Each question carries a weight of 2.

25 Explain the different methods of classifying overheads.

26 What are the causes for disagreement of profits between Cost Accounts and Financial Accounts ?

27 What is labour turnover ? State the causes.

28 Discuss the advantages and limitations of cost Accounting.

29 From the following particulars calculate:

(a) Re-order level
(b) Minimum level
(c) Maximum level
(d) Average stock level.

Normal usage 100 units Per day

Minimum usage 60 units Per day

Maximum usage 130 units Per day

Economic ordering quantity 5000 units

Re order period 25 to 30 days.

30 A worker takes 9 hours to complete a job on daily wages and 6 hours on a scheme of payment by results.

His day rate is Rs. 7.50 an hour, the material cost of the product is Rs. 40 and the overheads are recovered at 150% of the total direct wages.

Calculate the factory cost of the product under :

(a) Piece work plan
(b) Rowan plan
(c) Halsey plan

(4 × 2 = 8)

Part D

Answer any **two** *questions.*

Each question carries a weight of 4.

31 The account of a machine manufacturing company disclose the following information for the six months ending 31st December 2022: Materials used Rs. 150000; Direct wages Rs. 120000 ; Factory overheads Rs.30000 and Administrative expenses Rs. 15000.

Prepare the cost sheet of the machines and calculate the price which the company should quote for the manufacture of a machine requiring materials valued Rs. 1250 and expenditure in productive wages Rs. 750 so the price might yield a profit of 20% on the selling price.

32 A company has three production Departments A, B and C and two Service Departments X and Y. It is found that the benefit of service departments is also received by each other along with the production Departments. Overhead costs are allocated to the five departments and estimates of benefit of service departments received by each of them are as under.

		Overhead cost as allocated
Dept.	A	Rs. 8000
	B	4000
	C	2000
	X	2000
	Y	1000

Expenses of Service Departments are to be allocated as follows :

	A	B	C	X	Y
Service Dept. X	20%	30%	40%	—	10%
Service Dept. Y	20%	25%	50%	5%	–

Work out the final overhead cost of each of the production departments including re-apportioned cost of service departments using simultaneous equation method.

33 A worker under the Halsey method of remuneration has a day rate Rs. 40 per week of 48 hours plus a cost of living bonus of 50 P. per hour worked. He is given an 8 hour task to perform, which he accomplishes in 6 hours. He is allowed 30% of the time saved as premium bonus. What would be his totally hourly rate of earnings and what difference would it make if he was paid under the Rowan method.

(2 × 4 = 8)