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Reg. No.....

Name.....

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

Sixth Semester

Commerce

Core Course—APPLIED 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 below :

1 The document used to record costs relating to a particular job is called ————————.

a) Job records. b) Job cost sheet.

c) Stores ledger. d) Bin card.

2 Which cost is directly relevant in determining EBQ ?

a) Selling expenses. b) Administrative expenses.

c) Setup cost. d) Distribution expenses.

3 Contract costing is a form of ————————.

a) Process costing. b) Unit costing.

c) Operating costing. d) Job costing.

Turn over

4 Marginal cost consists of ——————.

a) Fixed cost only.
b) Variable cost only.
c) Fixed cost + profit.
d) Total cost.

II. Fill in the blanks :

5 Abnormal gain occurs when ——————.

6 A fixed budget is also known as ——————.

7 The main objective of cost accounting is ——————.

8 Unit costing is also known as ——————.

III. State whether the following statements are True *or* False :

9 The excess of sales over variable cost is known as profit.

10 Contract costing is mainly used in hotels.

11 If setup cost increases, EBQ will increase.

12 Process costing is mainly used for repair work.

IV. Match the following :

13 Budget	a) Contribution is zero.
14 Normal losses	b) Quantitative statement of plan.
15 Process costing	c) Sales equal total cost.
16 Break-even-point	d) Oil refinering.
	e) Born by good units produced.
	f) Batch costing.

(4 × 1 = 4)

Part B

Answer any **five** *questions.*
Each question carries a weight of 1.

17 What is batch costing ?

18 Define EBQ. State the formula for EBQ.

19 Distinguish between work certified and work uncertified.

20 What is meant by the split-off point ?

21 What are the common costs in joint production ?

22 What is the p/v ratio ? What does a high p/v ratio indicate ?

23 What is the relationship between Margin of Safety and profit ?

24 What is a master budget ?

(5 × 1 = 5)

Part C

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

25 Define job costing. How does it differ from contract costing ?

26 Discuss the accounting treatment of abnormal loss and abnormal gain.

27 What are the essentials of an effective budgetary control system ?

28 Prepare Contract Account from the following information :

Materials Rs. 70,000 ; Machinery Rs. 2,00,000;

Wages 50 % of machinery ;

Sundry expenses 40 % of wages ;

Work certified 75 % of Contract price ;

Contract price 300 % of the cost of machinery;

Work uncertified 50 % of Sundry expenses.

Charge 25 % depreciation on machinery.

Cash received is $3/4^{th}$ of the work certified.

29 Calculate break-even point in rupees :

	I Year	II Year
Sales	Rs. 80,000	Rs. 90,000
Cost	Rs. 70,000	Rs. 76,000

Turn over

30 6000 units of raw materials are introduced into process at cost of Rs. 10,200. Wages and overheads for the process are Rs. 3,060 and Rs. 2,040 respectively. 4,500 units were completed and of the remaining 1,500 units on the average 40% work has been done. Ascertain the cost of completed units and work-in-progress at the end.

(4 × 2 = 8)

Part D

Answer any **two** *questions.*
Each question carries a weight of 4.

31 "Budgetary control is an important tool for achieving organizational objectives." Discuss the statement.

32 X Ltd. is manufacturing a part for one of its major products at a cost of Rs. 22. The cost analysis is as under :

Materials	...	Rs. 6.00
Labour	...	8.00
Variable overheads	...	5.00
Fixed overheads	...	3.00
		22.00

Total requirement is 25,000 units annually. An outsider supplying this very part has offered to supply this at Rs. 20 per unit with no change in quality and with regular supply. Should the company go for buying in place of making the part.

33 A product passes through three processes I, II and III before being finally transferred to Finished Stock Account. 10,000 units were introduced in Process I at the cost of Rs. 5 per unit. The other direct expenses were :

	Process I	Process II	Process III
	Rs.	Rs.	Rs.
Sundry Materials	5,000	8,000	6,000
Direct Labour	10,000	12,000	15,000
Direct Expenses	4,000	5,000	7,000
Out puts (Units)	9,000	5,700	1,824

	Process I	Process II	Process III
	Rs.	Rs.	Rs.
Normal Wastage	10 %	5 %	4 %
Value of Scrap per unit	5	6	5

Production overheads are charged at 60 % of direct labour to each process. The semi-finished product of each process being salable, 1/3 output of process I and 2/3 output of process II was sold in the market at profit of 20 % and 25 % on cost to each process respectively. The remaining output transferred to the next process.

Prepare process accounts.

(2 × 4 = 8)