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III Semester B.Com.(R)/A&F/B.D.A./L.S.C.M./T.T.M. Degree Examination,  
December/January - 2025/26

**COMMERCE**  
**Cost Accounting**  
**(SEP 2025-26 Scheme)**  
**Paper : 3.3**

**Time : 3 Hours**

**Maximum Marks : 80**

**Instructions to Candidates:**

*Answers should be in English only.*

**SECTION - A**

**Answer any Five of the following sub-questions. Each sub-question carries 2 marks.**  
**(5×2=10)**

1. a) What is cost sheet?
- b) Give the meaning of semi variable cost.
- c) What is Time Booking?
- d) State the elements of cost.
- e) Who is a store keeper?
- f) Write any four examples of office and administration overheads.
- g) What is labour cost?
- h) Calculate EOQ from the following  
Consumption during the year - 600 units  
Ordering cost - Rs. 12 per unit,  
Carrying cost - 12%  
Price per unit - Rs. 20.



**[P.T.O.]**



## SECTION - B

Answer any Four questions. Each question carries 5 marks.

(4×5=20)

2. Calculate cost of production from the following particulars

|                          | Rs.   |
|--------------------------|-------|
| Direct material          | 5,000 |
| Direct labour            | 4,000 |
| Factory overhead         | 3,000 |
| Opening work in progress | 1,000 |
| Closing work in progress | 2,500 |
| Office Rent              | 1,500 |
| Office Staff Salary      | 3,500 |
| General expenses         | 2,000 |
| Other office expenses    | 500   |

3. From the following data calculate the total earnings of a worker under Halsey plan.

- Standard Time 48 hours
- Time rate Rs. 20 per hour
- Actual Time taken 40 hours

4. The following information is available in respect of a particular material.

Reorder quantity - 3600 units

Maximum consumption - 900 units per week

Minimum consumption - 300 units per week

Normal consumption - 600 units per week

Reorder period - 3 to 5 weeks

**Calculate:**

- Reorder level
- Minimum level
- Maximum level
- Average stock level



5. The following Transactions took place in respect of material R.

| Date      | Receipts | Rate per unit | Issue quantity |
|-----------|----------|---------------|----------------|
| 1/3/2025  | 20 units | 25            | --             |
| 9/3/2025  | 30 units | 30            | --             |
| 20/3/2025 | --       | --            | 5 units        |
| 24/3/2025 | 40 units | 32            | --             |
| 26/3/2025 | --       | --            | 30 units       |

Prepare the stores Ledger Account on the basis of weighted average price method.

6. Mohith company limited has Three production department's and Two service department's. The following figures for a certain period have been made available.

|                |            |
|----------------|------------|
| Rent and Rates | Rs. 15,000 |
| Lighting       | Rs. 1,500  |
| Power          | Rs. 2,000  |
| Depreciation   | Rs. 22,000 |
| Insurance      | Rs. 4,000  |

The following further information is available.

| Particulars         | Production Department |        |        | Service Department |       |
|---------------------|-----------------------|--------|--------|--------------------|-------|
|                     | A                     | B      | C      | X                  | Y     |
| Floor space(sq. ft) | 2,000                 | 2,500  | 2,500  | 1,500              | 500   |
| Light points        | 30                    | 40     | 20     | 10                 | 10    |
| H.P. of machines    | 100                   | 40     | 120    | --                 | --    |
| Cost of machinery   | 34,000                | 42,000 | 50,000 | 4,000              | 4,000 |
| Direct wages        | 5,000                 | 5,000  | 7,000  | 4,000              | 2,000 |
| Stock value         | 6,000                 | 4,000  | 3,000  | 500                | 300   |
| Direct materials    | 15,000                | 18,000 | 12,000 | 3,000              | 3,000 |

You are required to prepare primary overhead distribution summary.

7. Briefly explain the differences between Cost Accounting and Financial Accounting.

[P.T.O.]



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## SECTION - C

Answer any Three of the following questions. Each question carries 15 marks.

(3×15=45)

8. The following is the record of Receipts and Issues of a certain material in the Factory during a week May 2025
- Opening balance 50 tonnes @ Rs. 10 per tonne
  - Issued 30 tonnes
  - Received 60 tonnes @ 10.20 per tonne
  - Issued 25 tonnes
  - Received back 10 tonnes (previously issued at Rs. 9.15 per tonne)
  - Issued 40 tonnes
  - Received 22 tonnes @ 10.30 per tonne
  - Issued 38 tonnes

Prepare stores ledger account under

- FIFO method.
  - LIFO method.
9. Compute Machine Hour Rate from the following data:

Cost of machine Rs. 2,00,000

Installation charges Rs. 20,000

Estimated Scrap value after the expiry of 15 years of life Rs. 10,000

Rent for the shop per month Rs. 400

General lighting for the shop per month Rs. 600

Insurance for the machine per Annum Rs. 1,920

Repairs per Annum Rs. 2,000

Power 10 units per hour

Rate of power for 100 units Rs. 40

Estimated working hours per Annum 2,000

Shop supervisor salary Rs. 1,200 per month

The machine occupies  $\frac{1}{4}$ <sup>th</sup> of the Total area of the shop

The supervisor devotes  $\frac{1}{3}$ <sup>rd</sup> of his time for this machine.



10. The Chinnu manufacturing company limited manufactured and sold 1000 machines in the year 2020. Following are the particulars obtained from the records of the company.

|                           |              |
|---------------------------|--------------|
| Cost of Materials         | Rs. 80,000   |
| Wages Paid                | Rs. 1,20,000 |
| Manufacturing Expenses    | Rs. 50,000   |
| Salaries                  | Rs. 60,000   |
| Rent, Rates and Insurance | Rs. 10,000   |
| Selling Expenses          | Rs. 30,000   |
| General Expenses          | Rs. 20,000   |
| Sales                     | Rs. 4,00,000 |

The Company plans to manufacture 1200 machines in the year 2021. You are required to submit a statement showing the price at which machine should be sold so as to have a profit of 10% on sales.

The following additional information is supplied for you:

- The price of material will be raised by 20% over previous year level.
- Wages rate will raise by 5%.
- Manufacturing expenses will raise in proportion to the combined cost of materials and wages.
- Selling expenses per unit decreased by 10%.
- Other expenses will be unaffected by the Raise in Output.

Prepare a cost sheet and estimated cost sheet for the year 2021



11. From the following information, prepare stores ledger account under Simple Average Price method.

|                 |                                      |
|-----------------|--------------------------------------|
| 2025 November 1 | Received 500 units @ Rs. 20 per unit |
| 10              | Received 400 units @ Rs. 24 per unit |
| 15              | Issued 800 units                     |
| 20              | Received 500 units @ Rs. 28 per unit |
| 26              | Issued 300 units                     |
| 29              | Received 600 units @ Rs. 22 per unit |
| 30              | Issued 300 units                     |

12. The following particulars relates to a manufacturing company which has 3 production departments A, B and C and 2 service departments M and N.

| Particulars                                | A    | B    | C    | M    | N    |
|--|------|------|------|------|------|
| Total overhead as per primary distribution | 6300 | 7400 | 2800 | 4500 | 2000 |

The company decided to charge the service department cost on the basis of the following percentages:

|                    |   |     |     |     |     |     |
|--------------------|---|-----|-----|-----|-----|-----|
| Service Department | M | 40% | 30% | 20% | --  | 10% |
|                    | N | 30% | 30% | 20% | 20% | --  |

Find out the total overhead of production department charging service department to production under the Repeated Distribution method and also Simultaneous Equation method.



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**SECTION - D**

**(Compulsory)**

**Answer the following question. The question carries 5 marks.**

**(1×5=5)**

13. Mention the causes of Labour Turnover in any manufacturing organization.
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