

Program/Sem: T.Y.B.Com (A & F) – Sem - V Course: COST ACCOUNTING

Program Code: 2C00455 Course Code: 44803

Duration: 2 ½ Hour

04 NOV 2025

Max. Marks: 75

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Draw neat diagrams wherever necessary.

Q. 1 Attempt the following.

A. Fill in the blanks with an appropriate answer from the alternatives given.(Any 8)

[08]

- i). Equivalent production is used for:
 - (a) Closing stock valuation
 - (b) Distribution of joint costs
 - (c) Cost apportionment of overheads
 - (d) Transfer pricing
- ii). An integrated system means:
 - (a) One set of accounts for cost & financial records
 - (b) Two sets of accounts are maintained separately
 - (c) Only cost accounts are maintained
 - (d) Only financial accounts are maintained
- iii). ABC system collects costs by:
 - (a) Departments
 - (b) Activities
 - (c) Accounts
 - (d) Ledgers
- iv). Cost = ₹1,20,000; activity driver = 6,000 hrs. Rate = ?
 - (a) ₹20/hr
 - (b) ₹10/hr
 - (c) ₹15/hr
 - (d) ₹25/hr
- v). Integrated system means:
 - (a) One set of accounts for cost & financial records
 - (b) Only cost accounts are maintained
 - (c) Two sets of accounts are maintained separately
 - (d) Only financial accounts maintained
- vi). Cost Ledger Control A/c is also known as:
 - (a) Financial Ledger Adjustment A/c
 - (b) Stores Ledger A/c
 - (c) Finished Goods A/c
 - (d) Suspense A/c

- vii). The hotel has 200 rooms, 70% occupancy, daily cost = ₹1,40,000. Cost per room-day = ?
- (a) ₹500 (b) ₹600
(c) ₹1000 (d) ₹650
- viii). In a non-integrated cost ledger, the account that links cost books with the financial books is:
- (a) Stores Ledger Control A/c (b) General Ledger Adjustment (GLA) A/c
(c) Costing Profit & Loss A/c (d) WIP Ledger Control A/c
- ix). In ABC, the most suitable driver for setup costs is:
- (a) Direct labour hours (b) Number of setups
(c) Machine hours (d) Units produced
- x). In process costing, normal loss is:
- (a) Abnormal and avoidable (b) Ignored for costing
(c) Expected loss credited to Process A/c at scrap value (d) Debited to Costing P&L

B. True or False: (Any 7)

[07]

- i). Depreciation of building and furniture is included in the rooms department operating cost.
- ii). Costing profit can differ from financial profit due to over/under-absorption of overheads.
- iii). Under integrated accounting, a separate Costing P&L is not required.
- iv). Financial incomes (e.g., dividend/interest received) are excluded from cost accounts and cause reconciliation differences.
- v). When materials are issued to production, Stores Ledger Control is debited.
- vi). In ABC, unit-level drivers can be used where appropriate.
- vii). Normal loss units are valued at scrap value.
- viii). Equivalent production helps in valuing incomplete units.
- ix). Operating costing is not applicable to hospitals.
- x). Uniform costing is compulsory by law.

- A. **HOTEL "CORAL BAY"** A 3-season hotel operates with the following details. Assume 30 days per month. [15]

- **Total rooms:** 90
- **Summer (4 months):** 90% occupancy
- **Winter (4 months):** 70% occupancy
- **Monsoon (4 months):** 40% occupancy

Capacity & Occupancy (each season = 4 months = 120 days)

Annual Rooms Department Cost Heads (₹)

- Staff salaries (Rooms + Housekeeping) — 1,60,00,000
- Power & Air-conditioning — 72,00,000
- Laundry & Linen — 24,00,000
- Repairs & Maintenance — 36,00,000
- Administration & General — 40,00,000
- Marketing & Sales — 24,00,000
- Building depreciation — 48,00,000
- Furniture & equipment depreciation — 28,00,000

Commercial Term

- The hotel desires **profit = 20% of Room Revenue**
- **Requirements**
 1. Compute **occupied room-days** for each season and in total.
 2. Prepare the **Annual Operating Cost Sheet** (Rooms Dept).
 3. Compute the **cost per occupied room-day**.
 4. Determine the **room tariff** per occupied room-day to earn the required profit.

OR

- B. Journalise the following transactions under the Integral Accounting System: [15]

S. No.	Particulars	Amount (₹)
1	Direct wages paid by bank	88,000
2	Indirect factory wages paid	36,500
3	Credit purchases of materials	3,96,000
4	Materials returned to suppliers	6,000
5	Materials issued to production	3,05,000
6	Stores issued to service departments	22,000
7	Factory overheads incurred (cash)	1,10,000
8	Factory overheads absorbed	1,06,000
9	Administration overheads incurred	78,000
10	Selling & distribution overheads incurred	64,000
11	Goods completed during the period (at cost)	6,40,000
12	Finished goods sold at cost	5,70,000
13	Sales on credit	7,25,000

Q. 3 Attempt either A or B.

- A. A plant produces three products (X, Y, Z). Overheads are assigned to FIVE activities as below. Use ABC to compute product costs and compare with a single plantwide rate based on Direct Labour Hours (DLH). [15]

Activity / Overhead Pool	Total Overhead (₹)	Cost Driver	Total Driver Quantity
Machine-related	1,20,000	Machine Hours (MH)	6,000
Quality Inspections	60,000	Number of Inspections	450
Material Moves	96,000	Number of Moves	480
Setups	54,000	Number of Setups	270
Order Processing	30,000	Number of Orders	300
TOTAL	3,60,000	—	—

Product	Units	DM / unit (₹)	DLH / unit	DL @ ₹50/DLH (₹/unit)	MH / unit	Inspections (count)	Moves (count)	Setups (count)	Orders (count)
X	1,000	700	4	200	2	150	180	90	100
Y	2,000	450	2	100	1	180	240	120	140
Z	500	900	8	400	4	120	60	60	60
TOTAL driver usage (check)	—	—	—	—	6,000 MH	450	480	270	300

Traditional Base	Total OH (₹)	Total Base Quantity	Plantwide OH Rate (₹/DLH)
Direct Labour Hours (DLH)	3,60,000	12,000 DLH	To be computed

OR

- B. • A bus operates on the following terms: [15]
- **Purchase price:** ₹7,50,000; **Scrap value after 6 years:** ₹60,000
 - **Route length:** 18 km (one way); **Trips:** 5 two-way trips per day; **Operating days:** 25 per month (assume 12 months/year)
 - **Seats:** 28; **Average occupancy:** 80%
 - **Annual charges:** Insurance ₹22,000; Road tax/permit ₹15,000; Administration ₹20,040; Driver ₹12,000 p.m.; Conductor ₹9,000 p.m.; Repairs ₹48,000 p.a.
 - **Fuel & oil:** ₹8.16 per km
 - **Interest on loan:** ₹55,000 p.a.
 - **Required profit:** 20% of total revenue
 - **Required:**
 - a) Annual kilometres and passenger-kilometres.
 - b) Annual operating cost and cost per passenger-km.
 - c) Required fare per passenger-km to earn 20% profit on revenue, and the fare per passenger per one-way trip.

Q.4 A. A product passes through Process A. The following data relate to a month:

[15]

- **Opening WIP:** 1,000 units
Degree of completion: Materials 100%, Labour 50%, Overheads 40%
Costs in opening WIP: Materials ₹30,000; Labour ₹10,000; Overheads ₹8,000
- **Units introduced during the period:** 9,000 units
- **Normal loss:** 5% of total input (scrap value ₹2 per unit)
- **Output transferred to next process/finished goods:** 8,700 units
- **Closing WIP:** 800 units (Materials 100%, Labour 50%, Overheads 50%)
- **Current period costs:** Materials ₹1,61,000; Labour ₹99,200; Overheads ₹64,800

Required:

1. Statement of Equivalent Production (Weighted Average), clearly showing normal loss.
2. Cost per equivalent unit for **Materials, Labour, and Overheads** (ensure whole numbers).
3. Valuation of **goods transferred out and closing WIP**.
4. **Process Account** (show normal loss at scrap value).

OR

B. Opening balances (1-Jan-2024):

[15]

Account	Dr/Cr	Amount (₹)
General Ledger Adjustment A/c	Cr	₹18,500
Stores Ledger Control	Dr	₹10,200
Work-in-Progress Ledger Control	Dr	₹6,100
Finished Goods Ledger Control	Dr	₹15,400

Transactions during the year:

S. No.	Particulars	Amount (₹)
1	Purchases for stores	₹62,000
2	Special materials for jobs (direct)	₹8,200
3	Stores issued to production	₹49,000
4	Stores issued to service departments	₹2,900
5	Direct wages	₹12,800
6	Indirect wages	₹11,600
7	Factory overheads incurred	₹27,500
8	Administration overheads incurred	₹9,300
9	Selling & distribution overheads incurred	₹7,100
10	Overheads absorbed: Production	₹28,400
11	Overheads absorbed: Administration on finished goods	₹8,600
12	Overheads recovered: S&D on sales	₹10,900
13	Products completed (cost)	₹1,36,000
14	Finished goods sold at cost	₹1,18,000
15	Sales (credit)	₹1,58,500
16	Returns from customers (selling value)	₹3,500

Q. 5 Attempt either A or B

A.

Item	Details
Opening WIP (units)	3,000
Degree of completion (Opening WIP)	Materials 100%, Labour 50%, Overheads 40%
Opening WIP costs	Materials ₹90,000; Labour ₹24,000; Overheads ₹16,000
Units introduced during the period	15,000
Normal loss	5% of total input; Scrap value ₹4 per unit
Units transferred out	16,700
Closing WIP (units)	300
Degree of completion (Closing WIP)	Materials 100%, Labour 60%, Overheads 60%
Current period costs	Materials ₹2,85,600; Labour ₹2,78,640; Overheads ₹1,89,360

[15]

Requirements

1. Statement of Equivalent Production (FIFO) including abnormal loss.
2. Cost per EU: compute valuation of Abnormal Loss, Closing WIP, and Transfer.
3. Draw the Process Account; show normal loss scrap credit and abnormal loss realisable value.

OR

B. Short Note: (Any 3) (5 marks each)

[15]

- a) Integrated vs Non-Integrated Accounting
- b) Cost Pool vs Cost Driver
- c) Equivalent Production
- d) Operating Costing
- e) Inter-Process Profit

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