[This question paper contains 16 printed pages.]

**Your Roll No..............**

**Sr. No. of Question Paper : 3308** **L**

Unique Paper Code : 2412092402

Name of the Paper : Cost Accounting

Name of the Course : **UGCF B.Com. – DSC**

Semester : IV

Duration : 3 Hours

समय : 3 घण्टे

Maximum Marks : 90

पूर्णांक : 90

**Instructions for Candidates**

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt **all** questions.
3. All parts of a question to be attempted together.
4. **All** questions carry equal marks.
5. Use of simple calculator is allowed.
6. Answers may be written either in English or Hindi; but the same medium should be used throughout the paper.

**छात्रों के लिए निर्देश**

1. इस प्रश्न-पत्र के मिलते ही ऊपर दिए गए निर्धारित स्थान पर अपना अनुक्रमांक लिखिए ।
2. सभी प्रश्नों के उत्तर दें ।
3. प्रश्न के भागों को एक साथ कीजिए ।
4. सभी प्रश्नों पर समान अंक हैं ।
5. साधारण कैलकुलेटर का उपयोग करने की अनुमति है ।
6. इस प्रश्न-पत्र का उत्तर अंग्रेजी या हिंदी किसी एक भाषा में दीजिए, लेकिन सभी उत्तरों का माध्यम एक ही होना चाहिए ।

1. (a) "Cost accounting is a system of foresight and not a post-mortem, it turns losses into profits, speed-up activities and eliminate waste." Do you agree? Also explain objectives of cost accounting. (9)

(b) Distinguish between:

(i) Fixed costs and variable costs

(ii) Committed costs and discretionary costs

(iii) Product costs and period costs (9)

**OR**

(c) Following data is available from the books of Devavrat Ltd. for the year ending 31st March 2025:

| **Particulars** | **Rs.** |
|---|---|
| Stock of material | |
| Opening | 3,76,000 |
| Closing | 4,00,000 |
| Material purchased during the year | 16,64,000 |
| Work-in-progress | |
| Opening | 1,50,000 |
| Closing | 1,80,000 |
| Finished Goods | |
| Opening | 55,000 |
| Closing | 65,000 |
| Direct wages paid | 4,76,800 |
| Indirect wages paid | 51,200 |
| Salaries to administrative staff | 1,56,800 |
| Freight inward | 64,000 |
| Freight outward | 40,000 |
| Sales | 32,59,600 |
| Cash Discount Allowed | 28,000 |

| | |
|---|---|
| Bad debts written off | 37,600 |
| Repairs of Plant and Machinery | 84,800 |
| Rent, rates and Taxes | |
| Factory | 24,000 |
| Office | 12,800 |
| Travelling expenses | 24,800 |
| Salesmen's salary and commissions | 67,200 |
| Depreciation written off | |
| Plant and Machinery | 57,800 |
| Furniture | 4,800 |
| Director's Fees | 48,000 |
| Factory electricity Charges | 96,000 |
| Sale of Scrap | 1,000 |
| General Charges | 49,600 |

From the above details you are required to prepare a cost sheet showing:

(i) Prime Cost, (ii) Factory Cost,

(iii) Cost of Production, (iv) Cost of Goods Sold,

(v) Cost of sales and Profit earned. (18)

2. (a) An automobile service centre uses about 75,000 spark plugs per year and the usage is constant at 6,250 per month. The spark plugs cost Rs. 2.50 per unit and carrying cost is estimated to be 20% of the average inventory investment on annual basis. The cost to place an order and to process the delivery is Rs. 24. It is also given that the delivery time is 45 days from the date of order and safety stock of 3,250 spark plug is desired. You are required to calculate :

(i) the most economic order quantity

(ii) the number of orders per year

(iii) the re-order level (9)

(b) The following information relates to workforce in a factory during the year 2024-25 :

| | |
|---|---|
| Numbers of workers on 1st April 2024 | 9,500 |
| Numbers of workers on 30th April 2025 | 10,500 |
| Number of workers who quit on their own | 200 |
| Number of workers who availed golden handshake opportunity | 200 |
| Number of workers employed during 2024-25 (including 1500 employed due to expansion) | 1,700 |

You are required to find out labour turnover rate using :

(i) Replacement method

(ii) Separation method

(iii) Flux method (9)

**OR**

(c) Following transactions took place in respect of a material item :

| Date | Particulars | |
|---|---|---|
| 1 April | Opening stock | 5000 units @ Rs. 10 each |
| 5 April | Issued | 3000 units |
| 7 April | Purchased | 6000 units @ Rs. 12 each |
| 15 April | Issued | 2500 units |
| 16 April | Received back from orders | 1000 units (previously issued @ Rs. 11) |
| 17 April | Issued | 4000 units |
| 25 April | Purchased | 1000 units @ Rs. 13 each |
| 27 April | Issued | 3,800 units |

You are required to prepare a store ledger account using FIFO and weighted method.

(12)

(d) Explain the concept and treatment of wastage, spoilage, scrap, and defectives in cost accounting with the help of business-related examples. (6)

3. (a) Define and distinguish between allocation, apportionment, and absorption of overheads. Explain their significance in cost accounting with suitable examples. (6)

(b) The budgeted working conditions for a cost centre are as follows :

| | |
|---|---|
| Normal working hours per week | 40 hours |
| Number of machines | 15 |
| Normal weekly loss of hours | 4 hours per machine |
| Number of weeks worked per year | 48 |
| Estimated annual overheads | Rs. 1,55,520 |
| Estimated direct wages rate | Rs. 3 per hour |

*Actual result in respect of a 4-week period are:*

| | |
|---|---|
| Wages incurred | Rs. 7,000 |
| Overheads incurred | Rs. 15,000 |
| Machine hours produced | 2,200 |

You are required to calculate :

(i) the overhead rate per machine hour, and

(ii) the amount of under or overabsorption of wages and overheads.

(12)

**OR**

(c) A factory has 6 identical machines. The total cost of machines is Rs. 18,00,000. From the following information, calculate the machine hour rate on a six-monthly basis (26 weeks) :

| | |
|---|---|
| Effective productive hours per machine p.m. | 160 |
| Productive wages | Rs. 7,86,000 per annum |
| Power and fuel consumption | Rs. 9,000 per quarter |
| Supervision | Rs. 52,800 per annum |
| Electricity | Rs. 4,000 per month |
| Repair and maintenance per annum | 3% of the value of machines |
| Insurance per annum per machine | Rs. 7,000 |
| Depreciation per annum | 10% of the original cost |
| Other factory overhead per annum | Rs. 75,670 |
| Consumables per week per machine | Rs. 500 |

(12)

(d) Discuss the treatment of following items in cost accounting :

(i) Interest on capital

(ii) Packing Material

(iii) Fringe benefits

(iv) Idle time

(v) Bad Debts

(vi) Overtime

(6)

4. (a) From the information given below relating to an unfinished contract no. 142, prepare the contract account for the year ending 30th June, 2024 :

| | |
|---|---|
| Material sent to site | Rs.1,72,000 |
| Labour paid | Rs. 1,40,000 |
| Plant issued to site | Rs.1,60,000 |
| Direct expenses | Rs.5,000 |
| Established charges | Rs.8,000 |

| | |
|---|---|
| Material returned to store | Rs.1,200 |
| Contract price | Rs. 10,00,000 |
| Work certified by architect | Rs.3,80,000 |
| Cost of work not certified | Rs. 14,400 |
| Material at site at the end of the period | Rs. 4,000 |
| Wages accrued | Rs.600 |
| Cash received on account of bills | Rs.3,23,000 |
| Depreciation on plant | Rs.14,000 |

(12)

(b) What do you understand by "cost plus contracts" and "escalation clause" in contract costing? (6)

**OR**

(c) An oil factory processes coconut through three different processes, namely Crushing, Refining, and Finishing. The following information relates to the month of January 2021 :

| Particular | Crushing Rs | Refining Rs | Finishing Rs |
|---|---|---|---|
| Raw Materials (500 tonnes of coconut) | 4,50,000 | - | - |
| Wages | 16,000 | 11,800 | 11,750 |
| Power | 2,400 | 2,000 | 3,000 |
| Sundry Materials | 1,000 | 3,800 | - |
| Factory Expenses | 1,200 | 2,000 | 1,500 |

The cost of jars used for storing finished oil amounted to Rs. 42,050. After the Crushing Process, 200 tonnes of coconut cakes were sold for Rs. 30,000 and a sundry by-product was sold for Rs. 1,800. Further, 275 tonnes of crude oil were obtained and transferred to the Refining Process. After the Refining Process, a by-product of 20 tonnes was sold for Rs. 1,800 and 250 tonnes of refined oil were obtained and transferred to the Finishing

Process. At the end of the Finishing Process, 240 tonnes of finished oil were stored in jars and 10 tonnes were sold for Rs. 2,400. The establishment expenses for the period amounted to Rs. 7,000 and are to be apportioned among the three processes in the ratio of 3:2:2. You are required to prepare the Process Accounts for Crushing, Refining, and Finishing Processes. (12)

(d) Distinguish between joint product and by product and briefly explain the accounting treatment of both with the help of examples. (6)

5. (a) What do you understand by reconciliation of cost and financial accounts? Explain the importance of reconciliation of cost and financial accounts. (6)

(b) Yatra Ltd. is running a fleet of 4 buses between two town 50 kms apart. Seating capacity of each bus is 40 passengers. The following particulars are available for the month of May:

| | |
|---|---|
| Salaries to drivers | 2,40,000 |
| Salaries to conductors | 1,20,000 |
| Wages to cleaners | 15,800 |
| Salaries of office and supervisory staff | 12,000 |
| Diesel and other oils | 48,500 |
| Repairs and maintenance | 4,800 |
| Taxation and Insurance | 9,600 |
| Depreciation | 45,600 |
| Interest on capital | 25,000 |

Actual passengers carried were 80% of the seating capacity. All the buses ran on all days of month. Each bus made one round trip per day. Find out cost per passenger kilometre. (12)

**OR**

(c) What is integrated accounting? Also, discuss its advantages and disadvantages. (8)

(d) The net profit of a company stood at ₹5,000 as per financial records for the year ended 31st March, 2025. The cost books, however, showed a net loss of ₹4,200 for the same period. A careful analysis of the figures from both the sets of books revealed the follows :

| | Rs. |
|---|---|
| Income tax provided in financial books | 4,000 |
| Bank interest credited in financial books | 2,500 |
| Works overheads under-recovered in cost books | 2,550 |
| Depreciation charged in financial books | 6,000 |
| Depreciation charged in cost books | 8,000 |
| Administrative overheads over-recovered | 1,850 |
| Loss due to obsolescence charged in financial accounts | 1,800 |
| Interest on investments not included in cost accounts | 12,400 |
| Stores adjustments (credited in financial books) | 300 |
| Loss due to depreciation in stock values charged in financial books | 1,500 |

You are required to prepare a reconciliation statement as on 31st March 2025. (10)

1. (क) "लागत लेखांकन दूरदर्शिता की प्रणाली है, न कि विश्लेषण की। यह हानियों को लाभ में परिवर्तित करता है, कार्यों को गति प्रदान करता है और अपव्यय को समाप्त करता है।" क्या आप इससे सहमत हैं? लागत लेखांकन के उद्देश्यों की व्याख्या कीजिए। (९)

(ख) निम्नलिखित के बीच अंतर स्पष्ट कीजिए :

(i) निश्चित लागतें और परिवर्तनीय लागतें

(ii) प्रतिबद्ध लागतें और विवेकाधीन लागतें

(iii) उत्पाद लागत और अवधि लागत (९)

या

(ग) देवव्रत लिमिटेड की बहियों से 31 मार्च 2025 को समाप्त होने वाले वर्ष के लिए निम्नलिखित आंकड़े उपलब्ध हैं :