



# PRESIDENCY UNIVERSITY

BENGALURU

Roll No.														
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## End - Term Examinations –MAY 2025

Date: 26-05-2025

Time: 01:00 pm – 04:00 pm

School: SOC	Program: BBA/BCM/BCM-CMA	
Course Code : COM2009	Course Name: COST ACCOUNTING	
Semester: IV	Max Marks: 100	Weightage:50%

CO - Levels	CO1	CO2	CO3	CO4	CO5
Marks	20	20	20	20	20

### Instructions:

- (i) Read all questions carefully and answer accordingly.
- (ii) Do not write anything on the question paper other than roll number.

### Part A

Answer ALL the Questions. Each question carries 2 marks.

10Q x 2M=20M

1.	What do you understand the term of Cost Accounting?	2 Marks	L1	CO1
2.	Identify the following overheads and state under which head they are classified in the Cost Sheet. A. Depreciation on Factory machinery B. Postage and telegram C. Advertising Expenses D. Unproductive wages	2 Marks	L3	CO1
3.	Given the annual consumption of a material is 1,800 units, ordering costs are ₹ 2 per order, price per unit of material is 0.32 paise and storage costs are 25% per annum of stock value, determine the Economic Order Quantity (EOQ).	2 Marks	L5	CO2
4.	From the following figures find the Maximum Stock Level. 1. Normal weekly requirement 1,000 pieces 2. Maximum weekly requirement 1200 pieces 3. Minimum weekly requirement 800 pieces 4. Time required to obtain supplies 6 to 8 weeks. Re-order quantity 10,000 pieces	2 Marks	L1	CO2

5.	Distinguish between Primary Distribution and Secondary Distribution Summery.	2 Marks	L4	C03										
6.	Identify the basis of apportionment for the following expenses: A. Rent B. Depreciation C. Power D. Canteen Expenses	2 Marks	L3	C03										
7.	From the following particulars show the cost sheet for Job No.75 and find out the value of the job: Materials issued for the job: Rs.6,000; Productive wages: Rs.4,600; Direct expenses: Rs.500. Provide 60% on productive wages for works on cost and 12 ½2% on works cost for office on cost. Profit to be realized on the selling price 15%.	2 Marks	L2	C04										
8.	<div>Find the profit transfer to P&amp;L account from the following information.</div> <table><tr><td>Particulars</td><td>Rs</td></tr><tr><td>Contract cost</td><td>2,80,000</td></tr><tr><td>Contract value</td><td>5,00,000</td></tr><tr><td>Cash received</td><td>2,70,000</td></tr><tr><td>Uncertified Work</td><td>30,000</td></tr></table> <div>Deduction made from bills by way of security deposit is 10%</div>	Particulars	Rs	Contract cost	2,80,000	Contract value	5,00,000	Cash received	2,70,000	Uncertified Work	30,000	2 Marks	L1	C04
Particulars	Rs													
Contract cost	2,80,000													
Contract value	5,00,000													
Cash received	2,70,000													
Uncertified Work	30,000													
9.	Given that fixed cost is Rs. 7,000, Profit Rs. 3,000 and sales Rs. 50,000. Find the P/V Ratio.	2 Marks	L1	C05										
10.	Find the Margin of Safety from the following data: Sales = Rs.1,00,000 Fixed Costs Rs= 30,000 Variable costs = Rs.50,000	2 Marks	L1	C05										

### Part B

Answer ALL the Questions. Each question carries 7 Marks.

5Q X 7= 35M

11.	a.	DEF Furniture Ltd. is a company specializing in the production of wooden furniture, including tables, chairs, and cabinets. The company has been facing issues in cost control and pricing due to improper classification of costs. To improve its cost management, DEF Furniture decided to implement a Cost Accounting System that focuses on the proper classification of costs to enhance decision-making and operational efficiency. Question: Explain the various classification of Costs.	07 Marks	L2	C01				
Or									
12.	a.	From the following information, show/ prepare a cost sheet <table><tr><th>Particulars</th><th>Rs.</th></tr><tr><td>Stock of Raw Material (1st Mar 2025)</td><td>10,000</td></tr></table>	Particulars	Rs.	Stock of Raw Material (1st Mar 2025)	10,000	07 Marks	L2	C01
Particulars	Rs.								
Stock of Raw Material (1st Mar 2025)	10,000								

		Purchase of Raw Materials	25,000			
		Productive wages/Direct Wages	2,500			
		Unused Raw Material (31st Mar 2025)	3,450			
		Direct Expenses	2,000			
		General Expenses	5,000			
		Bad debts	1,200			
		Administration Expenses	1,750			
		Sales	90,000			
		Cash Discount	2,000			
		Transfer fee	5,000			
		Loss on sale of Investment	1,000			
		Works Overheads	2,500			
		Travelling Expenses	1,500			
		Income Tax	8,000			

13.	a.	The following transactions occur in the purchase and issue of material.	07 Marks	L2	CO2																											
		<table><tr><th>DATE</th><th>Purchases</th><th>Issues</th></tr><tr><td>2025 Jan 1</td><td>100 units @ Rs.5 per Unit</td><td></td></tr><tr><td>Jan-10</td><td>25 Units @ Rs 5.25 per Unit</td><td></td></tr><tr><td>Jan-12</td><td>50 <u>Units @5.50</u> per Unit</td><td></td></tr><tr><td>Jan-15</td><td></td><td>80 Units</td></tr><tr><td>Jan-18</td><td>50 Units @ Rs.5.50 per Unit</td><td></td></tr><tr><td>Jan-20</td><td></td><td>80 Units</td></tr><tr><td>Jan-25</td><td>50 Units @ Rs.5.75 per Unit</td><td></td></tr><tr><td>Jan-31</td><td></td><td>100 Units</td></tr></table>				DATE	Purchases	Issues	2025 Jan 1	100 units @ Rs.5 per Unit		Jan-10	25 Units @ Rs 5.25 per Unit		Jan-12	50 <u>Units @5.50</u> per Unit		Jan-15		80 Units	Jan-18	50 Units @ Rs.5.50 per Unit		Jan-20		80 Units	Jan-25	50 Units @ Rs.5.75 per Unit		Jan-31		100 Units
		DATE				Purchases	Issues																									
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		Jan-20					80 Units																									
		Jan-25				50 Units @ Rs.5.75 per Unit																										
Jan-31		100 Units																														
Show the stock account showing the balance on March 31 <sup>st</sup> the end of accounting year. State clearly your method of pricing and value of the closing stock																																

Or

14.	a.	From the following information, show/prepare a stores Ledger Under: (a) Simple Average Method and (b) Weighted Average Method.			07 Marks	L2	CO2
		Date	Units	Price			
		Receipts:					
		2.3.2017	200	2			
		10.3.2017	300	2.4			
		18.3.2017	250	2.6			
		Issues:					
		15.3.2017	250				
		20.03.2017	300				

15.	a.	<p>Kumaresh Ltd. has two production departments (A, B,) and one service departments (C). The following figures are extracted from the records of the company: Depreciation of Machinery: ₹10,000; Rates: ₹5,000; Indirect Wages: ₹1,500; General Lighting: ₹600; Power: ₹1,500; Sundries: ₹10,000.</p> <p>Further details available:</p>	<table><tr><th>Item</th><th>Total</th><th>A</th><th>B</th><th>C</th></tr><tr><td>Floor Space (sq.m)</td><td>10,000</td><td>4,500</td><td>2,500</td><td>3,000</td></tr><tr><td>Light Points</td><td>60</td><td>25</td><td>15</td><td>20</td></tr><tr><td>Direct Wages</td><td>10,000</td><td>5,000</td><td>2,000</td><td>3,000</td></tr><tr><td>HP of Machines</td><td>150</td><td>70</td><td>30</td><td>50</td></tr><tr><td>Value of Machinery (₹)</td><td>2,50,000</td><td>70,000</td><td>80,000</td><td>1,00,000</td></tr></table>	Item	Total	A	B	C	Floor Space (sq.m)	10,000	4,500	2,500	3,000	Light Points	60	25	15	20	Direct Wages	10,000	5,000	2,000	3,000	HP of Machines	150	70	30	50	Value of Machinery (₹)	2,50,000	70,000	80,000	1,00,000	07 Marks	L4	CO3
		Item		Total	A	B	C																													
		Floor Space (sq.m)		10,000	4,500	2,500	3,000																													
		Light Points		60	25	15	20																													
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		HP of Machines		150	70	30	50																													
		Value of Machinery (₹)		2,50,000	70,000	80,000	1,00,000																													
<p>Divide or apportion the costs to various departments using an equitable basis and prepare a Primary Departmental Distribution Summary</p>																																				

**Or**

16.	a.	<p>Overheads refer to indirect costs that are not directly traceable to a specific product, job, or service, but are necessary for the overall operation of a business. These costs are incurred in the process of production or service delivery but cannot be directly assigned to a cost unit.</p> <p>Required Questions:</p> <p>A. Explain the classification of overheads with suitable examples. How does this classification help in effective cost control?</p>	07 Marks	L2	C03
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17.	a.	Explain the differences between Job Costing and Contract costing	07 Marks	L2	C04
<b>Or</b>					
18.	a.	<p>The information given below has been taken from the records of an engineering works in respect of Job No. 101.</p> <p>Materials: Rs 4010</p> <p>Wages: Department A-60 hours @ Rs.3 per hour</p> <p>Wages: Department B-40 hours @ Rs.2 per hour</p>	07 Marks	L5	C04

		<p>Wages: Department C-20 hours @ Rs. 5 per hour</p> <p>The overhead expenses are as follows:</p> <p>Variable Expenses: Department A -Rs. 5000 for 5000 labour hours</p> <p style="padding-left: 40px;">Department B- Rs. 3000 for 1500 labour hours</p> <p style="padding-left: 40px;">Department C -Rs. 2000 for 500 labour hours</p> <p>Fixed expenses Rs. 20,000 for 10,000 working hours.</p> <p>Determine the cost of Job No. 101 and price for the job to give a profit of 25% on the selling price.</p>			
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<b>19.</b>	<b>a.</b>	Evaluate the effectiveness of marginal costing as a decision-making tool in a competitive market. What are its limitations?	<b>07 Marks</b>	<b>L5</b>	<b>C05</b>
<b>Or</b>					
<b>20.</b>	<b>a.</b>	<p>Suppose the break-even sales Rs.10 lakhs. Fixed costs are Rs.4 lakhs.</p> <p>Determine the following:</p> <p>a. Contribution -Sales ratio</p> <p>b. Sales price per unit if variable costs are Rs.12 pr unit</p> <p>c. Margin of safety if 80,000 Units are sold</p>	<b>07 Marks</b>	<b>L5</b>	<b>C05</b>

### Part C

**Answer any Three Questions. Each question carries 15 marks**

**3Q x 15M=45M**

<b>21.</b>	<b>a.</b>	<p>(1) The components A and B are used as follows:</p> <p>Normal Usage: 50 Units per week each</p> <p>Minimum Usage: 25 Units per week each</p> <p>Maximum Usage: 75 Units per week each</p> <p>Re-order Quantity: A: 300 Units</p> <p style="padding-left: 40px;">B: 500 Units</p> <p>Re-order Period A: 4 to 6 weeks.</p> <p style="padding-left: 40px;">B: 2 to 4 weeks.</p> <p>Determine for A component: (a) Re-order level, (b) Minimum level (c) Maximum stock level (d) Average stock level.</p> <p>(2) Explain the advantages of FIFO Method</p>	<b>15 Marks</b>	<b>L5</b>	<b>C02</b>
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<b>22.</b>	<b>a.</b>		<b>15 Marks</b>	<b>L5</b>	<b>C04</b>
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	<p>Sanjana Construction Ltd. Is engaged on two contracts A and B during the year. Following particulars are obtained at the year end (December 31):</p> <table><tr><th>Particulars</th><th>Contract -A April 1st</th><th>Contract- B Sep 1<sup>st</sup></th></tr><tr><td>Contract Price</td><td>6,00,000</td><td>5,00,000</td></tr><tr><td>Materials issued</td><td>1,60,000</td><td>60,000</td></tr><tr><td>Material Returned to stores</td><td>4,000</td><td>2,000</td></tr><tr><td>Materials at site (Dec 31)</td><td>22,000</td><td>8,000</td></tr><tr><td>Direct Labour</td><td>1,50,000</td><td>42,000</td></tr><tr><td>Site Expenses</td><td>66,000</td><td>35,000</td></tr><tr><td>Establishment Expenses</td><td>25,000</td><td>7,000</td></tr><tr><td>Plant installed at site</td><td>80,000</td><td>70,000</td></tr><tr><td>Value of plant (Dec 31)</td><td>65,000</td><td>64,000</td></tr><tr><td>Cost of contract not yet certified</td><td>23,000</td><td>10,000</td></tr><tr><td>Value of contract certified</td><td>4,20,000</td><td>1,35,000</td></tr><tr><td>Cash received from contractee</td><td>3,78,000</td><td>1,25,000</td></tr><tr><td>Architect's fees</td><td>2,000</td><td>1,000</td></tr></table>	Particulars	Contract -A April 1st	Contract- B Sep 1 <sup>st</sup>	Contract Price	6,00,000	5,00,000	Materials issued	1,60,000	60,000	Material Returned to stores	4,000	2,000	Materials at site (Dec 31)	22,000	8,000	Direct Labour	1,50,000	42,000	Site Expenses	66,000	35,000	Establishment Expenses	25,000	7,000	Plant installed at site	80,000	70,000	Value of plant (Dec 31)	65,000	64,000	Cost of contract not yet certified	23,000	10,000	Value of contract certified	4,20,000	1,35,000	Cash received from contractee	3,78,000	1,25,000	Architect's fees	2,000	1,000			
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	<p>During the period materials amounting to Rs.9,000 have been transferred from contract A to Contract B. Your required to show/prepare Contract account A and B</p>																																													

23.	a.	The sales turnover and profit of a company during two years was as:	15 Marks	L5	C05									
		<table><tr><th>Years</th><th>Sales</th><th>Profits</th></tr><tr><td>2024</td><td>1,50,000</td><td>20,000</td></tr><tr><td>2025</td><td>1,70,000</td><td>25,000</td></tr></table>				Years	Sales	Profits	2024	1,50,000	20,000	2025	1,70,000	25,000
		Years				Sales	Profits							
		2024				1,50,000	20,000							
		2025				1,70,000	25,000							
You are required to determine (a) P./V Ratio (b) Break-even point (c) Sales required to earn a profit of Rs.40,000 (d) The Profit made when sales are Rs. 2,50,000 (e) Margin of safety at a profit of Rs. 50,000.														

24.	a.	Explain the various costing methods and techniques with suitable examples	15 Marks	L2	C01
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