Roll No. □□□□□□□□□□□□ **Total No. of Pages : 03**

Total No. of Questions : 09

B.Com. (Hons.) (Sem.–2)

COST ACCOUNTING

Subject Code : BCOM-201-18

M.Code : 75828

Date of Examination : 26-05-2025

Time : 3 Hrs. **Max. Marks : 60**

INSTRUCTIONS TO CANDIDATES :

1. **SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks each.**
2. **SECTION-B consists of FOUR Sub-sections : Units-I, II, III & IV.**
3. **Each Sub-section contains TWO questions each, carrying TEN marks each.**
4. **Student has to attempt any ONE question from each Sub-section.**

SECTION - A

1. Answer briefly :

a. Semi-variable cost

b. Cost drivers

c. Standard price method of material issues.

d. Prime cost

e. Master budget

f. Zero-base budgeting

g. P/V ratio

h. Machine hour rate of overhead absorption.

i. Cost Hierarchy

j. Accounting treatment of abnormal idle time.

SECTION - B

UNIT - I

2. What do you understand by Cost Accounting? What are the uses of Cost Accounting information?

3. What do you understand by Cost Sheet? Briefly explain with a specimen of the cost sheet.

UNIT - II

4. Which of the issuing methods would you recommend under conditions of raising prices and why?

5. **Calculate machine hour rate from the following information :**

   Cost of machine Rs. 1, 80,000
   Freight and installation Rs. 20,000
   Working life 10 years
   Working hours 4,000 per year
   Repair charges 50% of depreciation
   Power 10 units per hour @ 10 paise per unit
   Lubricating oil @ Rs. 2 per day of 8 hours
   Consumable stores @ Rs. 10 per day of 8 hours
   Wages of operator @ Rs. 2 per day
   Scrap value of machine Rs. 20,000

UNIT - III

6. A manufacturing company disclosed a Net Loss of Rs. 5, 72, 000 as per their Cost Accounts for the year ended March 31, 2003. The Financial Accounts however disclosed a Net Loss of Rs. 8, 84, 000 for the same period. The following information was revealed as a result of scrutiny of the figures of both the set of Books :

Particulars	**Rs.**
Factory Overheads Over-absorbed	16,000
Administration Overheads under absorbed	24,000
Depreciation charged in Financial Accounts	2,20,000
Depreciation charged in Cost Accounts	2,45,000
Interest on Investments not included in Cost Accounts	64,000
Income tax provided	1,54,000
Interest on loan funds in Financial Accounts	2,63,000
Transfer fees (Credits in financial books)	16,000
Stores adjustment (Credit in financial books)	8,000

Prepare a Memorandum Reconciliation Account.

7. What are the differences between Absorption costing and Marginal costing? Illustrate.

UNIT - IV

8. Prepare a flexible budget for overheads on the basis of the following data. Ascertain the overhead rates at 50 %, 60 % and 70 % capacity.

Particulars	**At 60% capacity Rs.**
Variable overheads :	
Indirect Material	3000
Indirect Labour	9000
Semi-variable overheads :	
Electricity (40 % fixed 60 % Variable)	15, 000
Repairs (80 % fixed 20 % Variable)	1,500
Fixed Overheads:	
Depreciation	8250
Insurance	2250
Salaries	7500
Total overheads	**46500**
Estimated direct labor hours	93000 Hrs.

9. Explain the difference between Activity-Based Costing and Traditional Costing Systems. Illustrate your answer.

NOTE : Disclosure of identity by writing mobile number or making passing request on any page of Answer sheet will lead to UMC case against the Student.