

IV Semester B.Com. Examination, June/July 2025
(NEP Scheme) (F+R)
COMMERCE
Paper – 4.2 : Cost Accounting

Time : 2½ Hours

Max. Marks : 60

Instruction : Answers should be written **completely** either in **English** or in **Kannada**.

SECTION – A

Answer **any six** sub-questions. **Each** sub-question carries **2** marks. **(6×2=12)**

1. a) What is a cost centre ?
- b) What are ABC analysis ?
- c) State the causes of idle time.
- d) What is Apportionment ?
- e) What is Reconciliation statement ?
- f) State the three elements of cost.
- g) What is time keeping ?
- h) Give the meaning of material.



SECTION – B

Answer **any three** questions. **Each** question carries **4** marks. **(3×4=12)**

2. State any four causes for the difference between profits as per Cost Accounts and Financial Accounts.
3. From the following figures of MN Ltd., prepare a cost sheet showing cost per unit and profits.

Raw material consumed	Rs. 80,000
Direct wages	Rs. 48,000
Machine hours worked	8000 hours
Machine hour rate	Rs. 4
Office overhead – 10% of factory cost	
Selling over head Rs. 1.50 per unit	
Units produced – 4000	
Units sold – 3600 @ Rs. 50 each.	



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4. Rate per hour – Rs. 1.50
Time allowed for job – 20 hours
Time taken – 15 hours
Calculate the total earnings of the worker under Halsey plan. Also find out effective rate of earnings.
5. Calculate stock re-order level, maximum level, minimum level and average level from the following information.
Reorder quantity 1500 units
Reorder period 4 to 6 weeks
Maximum consumption 400 units per week
Normal consumption 300 units per week
Minimum consumption 250 units per week.
6. Prepare a stores ledger under weighted average method.

Date	Receipt Units	Rate per Unit	Issued Unit
1-3-2025	6,500	20	—
8-3-2025	8,500	25	—
12-3-2025	—	—	10,000
18-3-2025	15,000	30	—
22-3-2025	—	—	7,500

SECTION – C

Answer any three questions. Each question carries 12 marks.

(3×12=36)

7. From the following, you are required to calculate the earnings of a worker for a week under
- Straight piece rate system
 - Taylor differential piece rate system
 - Halsey premium plan
 - Rowan premium plan
- Weekly working hours 48
Piece rate per unit Rs. 12
Hourly wage rate Rs. 30
Normal time allowed per piece 12 minutes
Normal output per week 240 pieces
Actual output for the week 300 pieces
Differential piece rate 80% of piece rate, when output is below normal and 120% piece rate when output above normal.

8. Mohith Factory Ltd. has three production departments and two service departments. The overhead distribution summary shows the following :

Departments	Amount (Rs.)
A	6,300
B	7,400
C	2,800
x	4,500
y	2,000

The service departmental expenses of x and y are to be distributed on a percentage basis as follows :

Particulars	Production Departments			Service Departments	
	A	B	C	x	y
x	40%	30%	20%	—	10%
y	30%	30%	20%	20%	—

Prepare a secondary overhead distribution summary under

- Repeated distribution method
- Simultaneous equation method.

9. Chinnu Engineering Company manufactured and sold 1000 machines in 2023. Following are the particulars obtained.

	Rs.		Rs.
Cost of materials	80,000	Rent and rates	10,000
Wages paid	1,20,000	Selling expenses	30,000
Factory expenses	50,000	General expenses	20,000
Salaries	60,000	Sales	1,00,000

The company plans to manufacture 1200 machines in 2024. You are required to submit a statement showing the price to earn a profit of 10% on selling price. The following additional information is given to you.

- Price of material will rise by 20% on previous year price.
- Wages will rise by 5%.
- Factory expenses will rise in proportion to the combined cost of materials and wages.
- Selling expenses per unit will remain unchanged.
- Other expenses will remain unaffected by rise in the output.

10. The net profits of a manufacturing company appeared at Rs. 76,500 as per financial accounts for the year ended 31st March 2025. The cost books however, revealed a net profit of Rs. 88,460 for the same period. A careful scrutiny of the figures from both the sets of accounts revealed the following facts :

Income tax provided in financial books Rs. 10,000
 Bank interest credited in financial books Rs. 250
 Works overhead under recovered in cost books Rs. 1,550
 Depreciation charged in financial books Rs. 5,600
 Depreciation recovered in cost books Rs. 6,000
 Administrative overheads over recovered Rs. 850
 Loss due to obsolescence in financial accounts Rs. 2,800
 Interest on investments not included in cost accounts Rs. 4,000
 Stores adjustment (credited in financial books) Rs. 240
 Loss due to depreciation in stock values charged in financial accounts Rs. 3,350
 Prepare Reconciliation Statement.

11. The following details are obtained from the books of Sipayi Company Ltd. for the month of March 2025. Stock on 1st March 2025 7500 units at Rs. 40 per unit.

Date	Particulars
March 2025	
2	Purchased 8000 units at Rs. 38 per unit
4	Purchased 6500 units at Rs. 42 per unit
5	Issued 6800 units
7	Issued 3500 units
8	Purchased 10000 units at Rs. 45 per unit
15	Issued 8600 units
18	Issued 2450 units
22	Issued 7550 units
24	Purchased 20000 units at Rs. 48 per unit
25	Purchased 15000 units at Rs. 50 per unit
28	Issue 22500 units
30	Issue 3750 units

Stock taking was conducted on 31st March 2025. Which revealed that there was a shortage of 300 units. Prepare a stores ledger under FIFO method.