

2 0 2 5

(FYUGP)

(4th Semester)

COMMERCE

(- MAJOR)

Paper : BC/C7

(Cost Accounting)

Full Marks : 75

Pass Marks : 40%

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

1. (a) Discuss the advantages and limitations
of Cost Accounting. 9+6=15

Or

- (b) The following extract of costing
information relates to commodity for the
half year ending 31st December, 2024 :

₹

Purchase of Raw Materials	1,20,000
Works Overhead	48,000
Direct Wages	1,00,000
Carriage on Purchase	1,440
Sales—Finished Products	3,00,000

	01.07.2024 ₹	31.12.2024 ₹
Stock of Raw Materials	20,000	22,240
Work-in-Progress	4,800	16,000
Finished Product as on 01.07.2024 (1000 tons)—₹ 16,000		
Finished Product as on 31.12.2024 (2000 tons)—₹ 32,000		

Selling and Distribution Overhead ₹ 1 per ton sold
16000 tons of Commodity were produced
during the period

Prepare Cost Sheet and show the
following :

15

- (i) Cost of Raw Material used
- (ii) Cost of Output for the period
- (iii) Cost of Sales
- (iv) Net Profit for the period
- (v) Net Profit per ton of the Commodity

2. (a) What do you mean by Straight Piece
Rate System? Discuss its advantages
and disadvantages.

2+6+7=15

Or

(b) From the following information, prepare Store Ledger under FIFO method and LIFO method :

15

March	1	Opening Balance—100 units @ ₹ 5 each
"	6	Received—500 units @ ₹ 6 each
"	20	Issued—300 units
"	25	Issued—200 units
"	26	Received—500 units @ ₹ 5 each
"	28	Issued—300 units
"	29	Shortage discovered—5 units
"	30	Issued—250 units

3. (a) What do you understand by Absorption of Overheads? What is the difference between Allocation and Apportionment of Overhead? Explain the causes of Under- or Over-absorption of Over-heads.

3+6+6=15

Or

(b) A Ltd. has three production departments—A, B and C, and one service department—S. From the under-

mentioned particulars, calculate labour hour rate for each of production departments :

15

	₹
Rent	36,000
Power	8,250
Indirect Wages	5,200
Depreciation on Machinery	22,000
Electricity	5,600
Canteen Expenses	6,500

Additional Information :

	A	B	C	S
Light point (Nos.)	7	7	9	5
Floor space (sq mts)	300	250	450	200
HP of machine	65	30	30	40
No. of workers (Nos.)	2	3	6	2
Direct wages (₹)	12,000	14,000	18,000	8,000
Cost of machine (₹)	50,000	60,000	80,000	10,000

Total working hours—1600 hours

Service rendered by service department—S to production departments A, B and C is 30%, 20% and 50% respectively.

15

4. (a) Explain the objectives of 'Job Order Costing'. Write the advantages and disadvantages of 'Job Order Costing'.

5+5+5=15

Or

- (b) Mr. S owns a fleet of taxis and the following information is available from the records maintained by him :

No. of taxis—10

Cost of each taxi—₹ 54,600

Salary of manager—₹ 700 p.m.

Salary of accountant—₹ 500 p.m.

Salary of cleaner—₹ 200 p.m.

Salary of mechanics—₹ 400 p.m.

Garage rent—₹ 600 p.m.

Insurance premium—5% p.a.

Annual tax—₹ 900 per taxi

Driver's salary—₹ 350 p.m. per taxi

Annual repairs—₹ 1,000 per taxi

Total life of a taxi is about 200000 kms.

A taxi runs, in all 3000 kms in a month and 30% of this distance has to be run

without any passenger. Petrol consumption is one litre for every 10 kms @ ₹ 4.41 per litre. Oil and other sundries are ₹ 10.50 per 100 kms..

Calculate the cost of running a taxi per km.

15

5. (a) Following expenses were incurred by a contractor which he started on 1st January, 2022:-

	₹
Materials	80,000
Wages	1,00,000
Other Expenses	30,000
Plant at Cost	1,00,000
Work Certified	2,40,000
Work Uncertified	1,20,000
Material on Hand on 31.12.2022	22,000
Plant Value at close	86,000
Cash Received from Contractee	2,00,000
Material Returned to Stores	4,000
Contract Price	7,00,000

Prepare Contract A/c and Work-in-progress A/c. How will work-in-progress appear in the Balance Sheet of contractor?

10+2+3=15

(7)

Or

- (b) What do you mean by Reconciliation Statement? Explain the procedure of preparing reconciliation statement.

3+12=15

★ ★ ★