2026

(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)* What do you mean by Cost Accounting? Discuss, in detail, the objective of Cost Accounting. 3+12=15

Or

(b) *JK* Co. submit the following information for the year 2024 :

	₹
Sales for the year	2,75,000
Inventories at the beginning of 2024 :	
Finished Goods	7,000
Work-in-Progress	4,000

	₹
Purchase of Materials	1,10,000
Materials Inventory :	
Opening	3,000
Closing	4,000
Direct Labour	65,000
Factory Overhead—60% of Direct Labour Cost	
Inventories at the close of the year 2024 :	
Finished Goods	7,000
Work-in-Progress	6,000

Other expenses for the year were as follows :

Selling Expenses—10% of sales

Administrative Expenses—5% of sales

Prepare a Statement of Cost. 15

2. *(a)* What do you mean by labour turnover and fringe benefits? Discuss the various methods of labour turnover. Write the causes of labour turnover. 3+8+4=15

Or

(b) Prepare Stores Ledger from the following information under FIFO and LIFO methods : 7½+7½=15

May	1	Balance 50 units at ₹ 25 per unit
"	3	Received 500 units at ₹ 30 per unit
"	5	Issued 120 units

May	7	Issued—200 units
„	8	Received back 10 units (issued on 7th May)
„	10	Returned to Vendor 15 units purchased on 3rd May
„	15	Received 200 units at ₹ 32
„	18	Issued 150 units

3. (a) What are the different classifications of overhead cost? Explain the base of apportionment of expenses in different departments. 7+8=15

Or

(b) A company have five departments—*P*, *N*, *R* and *S* are producing departments and *T* is a service department. The actual costs for a period are as follows :

	₹
Repair	2,000
Rent	2,500
Depreciation	1,200
Supervision	4,000
Insurance	1,500
Employer's Liability of Employees Insurance	600
Light	1,800

The following data are also available in respect of the five departments :

	Departments				
	P	*N*	*R*	*S*	*T*
Area (sq ft.)	140	120	110	90	40
No. of Workers	25	20	10	10	5
Total Wages (₹)	10,000	8,000	5,000	5,000	2,000
Value of Plant (₹)	20,000	18,000	16,000	10,000	6,000
Value of Stock (₹)	15,000	10,000	5,000	2,000	—

Apportion the cost to the various departments on the equitable basis. 15

4. *(a)* What do you mean by operating costing? What are the objectives of operating costing? Distinguish between Job Costing and Batch Costing. 2+6+7=15

Or

(b) Prepare Process A/c from the following information : 5×3=15

	Process		
	A	B	C
Raw Material issued (80000 kg) (₹)	9,60,000	—	—
Direct Wages (₹)	1,25,600	1,72,000	1,42,500
Overhead Cost (₹)	1,68,000	1,77,280	1,24,690
Normal Process loss (% of input)	3%	2%	1%
Output transferred to next process (kg)	77000	71800	69000

5. *(a)* Discuss the need for reconciliation. Discuss the reasons of disagreement between costing profit and financial profit. 6+9=15

Or

(b) Following expenses were incurred by a contractor on a contract which he stated on 1st January :

	₹
Materials	40,000
Wages	50,000
Other Expenses	15,000
Plant at cost	50,000
Work Certified	1,20,000
Work Uncertified	60,000
Material on Hand (on 31st December)	11,000
Plant value at close	43,000
Cash Received from Contractee	1,00,000
Material Returned to Store	2,000
Contract Price	3,50,000

Prepare Contract A/c and Work-in-Progress A/c. How will Work-in-Progress appear in the Balance Sheet of the contractor? 10+2+3=15

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