

**Dezyne École College**  
**B.Voc ID/FD/GD — Third Year, Semester VI**  
**Cost Accounting**

**SET 1**

<b>Question in English / Hindi</b>	
<b>PART I — Attempt ALL Questions. Answer each in 30 words. (10 × 4 = 40 Marks)</b>	
<b>1.</b>	Define Cost Accounting. State its main objectives and scope.
<b>2.</b>	Distinguish between Cost Accounting and Financial Accounting. Give any four points of difference.
<b>3.</b>	What is Economic Order Quantity (EOQ)? Write its formula and state two assumptions.
<b>4.</b>	Daily consumption of a material is 50 to 70 units per day. Lead time is 20 to 30 days and re-order quantity is 3,000 units. Calculate: (i) Re-order Level, (ii) Minimum Stock Level, (iii) Maximum Stock Level.
<b>5.</b>	The Standard time to complete a job is 40 hours. A Worker completes the work in 30 hours. The wage rate is Rs. 6 per hour. Calculate wages under Halsey and Rowan Premium Plans.
<b>6.</b>	What is Labour Turnover? State its causes and effects on production.
<b>7.</b>	Explain the Machine Hour Rate Method of absorbing overheads. State its merits.
<b>8.</b>	On 1st April 2023 a company started work on a building contract. Plant issued Rs. 20,000. Plant costing Rs. 3,000 was destroyed. On 31st March 2024, plant worth Rs. 5,000 was returned. Charge depreciation @ 15% p.a. Calculate plant at site on 31st March 2024.
<b>9.</b>	What do you mean by Unit Costing? State industries where it is applicable.
<b>10.</b>	Explain the characteristics of Process Costing and mention where it is applied.
<b>PART II — Attempt ALL Questions. Answer each in 80 words. (5 × 8 = 40 Marks)</b>	
<b>1.</b>	Enumerate various factors causing differences between Cost Accounts and Financial Accounts. Prepare an imaginary Reconciliation Statement.
<b>2.</b>	A worker takes 10 hours on daily wages and 7 hours under payment-by-results. His wage rate is Rs. 2 per hour, material cost is Rs. 10, and overheads are recovered at 120% of total direct wages. Calculate factory cost under: (a) Piece Rate Plan, (b) Rowan Plan, (c) Halsey Plan.
<b>3.</b>	Define 'Overheads'. Classify overheads and explain Fixed, Variable and Semi-Variable overheads in detail with examples.
<b>4.</b>	What are the main features of Contract Costing? Explain the treatment of profit on incomplete contracts.
<b>5.</b>	Comment on: 'Installation of a Costing System in a factory requires careful planning.' Explain the steps involved.
<b>PART III — Attempt ANY ONE Question. Answer in 100 words. (1 × 20 = 20 Marks)</b>	
<b>A.</b>	Distinguish between: (a) Direct and Indirect Material Cost, (b) Controllable and Uncontrollable Cost, (c) Relevant and Irrelevant Cost, (d) Product Cost and Period Cost.
<b>B.</b>	M/S Mohan and Company undertook a contract for Rs. 5,00,000. At year end: Material Issued Rs. 1,00,000; Wages Paid Rs. 45,000; Wages Accrued Rs. 5,000; Indirect Expenses Rs. 10,000; Plant for 6 months Rs. 2,00,000; Sub-contract Costs Rs. 25,000; Materials at site Rs. 10,000; Cost of Work Uncertified Rs. 15,000; Cash Received (90% of Work Certified) Rs. 2,70,000. Plant costing Rs. 25,000 was sold after 3 months for Rs. 18,000. Extra work cost Rs. 25,000; received Rs. 35,000. Depreciate Plant @ 12% p.a. Prepare Contract Account, transferring reasonable profit to P&L on cash basis.

## SET 2

<b>Question in English / Hindi</b>	
<b>PART I — Attempt ALL Questions. Answer each in 30 words. (10 × 4 = 40 Marks)</b>	
<b>1.</b>	What is a Cost Sheet? How does it differ from a Production Account? State any two differences.
<b>2.</b>	Explain FIFO and LIFO methods of pricing material issues with a suitable example.
<b>3.</b>	What is Idle Time? State its causes and how is it treated in Cost Accounts?
<b>4.</b>	Daily consumption of a material is 60 to 80 units. Lead time is 15 to 25 days and re-order quantity is 4,000 units. Calculate: (i) Re-order Level, (ii) Minimum Stock Level, (iii) Maximum Stock Level.
<b>5.</b>	Standard time for a job is 50 hours. Worker finishes in 40 hours. Wage rate Rs. 8 per hour. Calculate wages under: (i) Halsey Premium Plan, (ii) Rowan Premium Plan.
<b>6.</b>	Define Labour Turnover. What is the Flux Rate and how is it calculated?
<b>7.</b>	Classify overheads on the basis of function, behaviour and controllability.
<b>8.</b>	What is Activity Based Costing (ABC)? How does it differ from Traditional Costing?
<b>9.</b>	State the objects of Service Costing. How is unit cost determined in Transport Costing?
<b>10.</b>	Define Standard Costing. State its main objectives and advantages.
<b>PART II — Attempt ALL Questions. Answer each in 80 words. (5 × 8 = 40 Marks)</b>	
<b>1.</b>	What is Integrated Accounting? Explain its advantages over a Non-Integrated system.
<b>2.</b>	Prepare an Abnormal Effective Account from the following: Transfer from first Process: 2,000 units @ Rs. 10/unit; Material used Rs. 15,000; Labour Rs. 5,000; Factory Overhead Rs. 2,500; Actual Output 1,800 units; Normal Loss 10% of Input sold at Rs. 3 per unit.
<b>3.</b>	During a week workman Y manufactured 300 units. He received wages for a guaranteed 44-hour week at Rs. 18 per hour. Time allowed to produce one unit is 12 minutes. Calculate gross wages under: (a) Rowan Premium Plan, (b) Halsey Premium Plan.
<b>4.</b>	Define Marginal Cost and Marginal Costing. Explain how fixed and variable costs are treated under Marginal Costing.
<b>5.</b>	What is Break-Even Analysis? Explain its components, assumptions and limitations.
<b>PART III — Attempt ANY ONE Question. Answer in 100 words. (1 × 20 = 20 Marks)</b>	
<b>A.</b>	From the following data regarding a standard product, compute: (A) Material Mix Variance, (B) Material Price Variance, (C) Material Usage Variance. Standard: A–5 kg @ Rs. 1.20; B–3 kg @ Rs. 2.50; C–2 kg @ Rs. 5.00; Total 10 kg @ Rs. 2.44. Actual: A–4 kg @ Rs. 4.00; B–2 kg @ Rs. 2.50; C–4 kg @ Rs. 4.00; Total 10 kg @ Rs. 3.40. Standard output = 2 units; Actual output = 1 unit.
<b>B.</b>	What are the objectives of Transport Costing? How do you determine the unit of cost in Transport Costing? A bus company runs 4 buses covering 200 km daily. Each bus carries 50 passengers. Calculate Cost per Passenger-Km if total monthly costs are: Fuel Rs. 40,000; Salaries Rs. 25,000; Depreciation Rs. 10,000; Repairs Rs. 5,000; Admin Rs. 8,000. (Assume 25 working days.)

### SET 3

<b>Question in English / Hindi</b>	
<b>PART I — Attempt ALL Questions. Answer each in 30 words. (10 × 4 = 40 Marks)</b>	
<b>1.</b>	What are the elements of cost? Prepare a specimen Cost Sheet showing all elements.
<b>2.</b>	Explain Weighted Average Method and Replacement Cost Method of pricing material issues.
<b>3.</b>	What is Overtime? When is it incurred? How is it treated in Cost Accounting?
<b>4.</b>	Daily consumption is 40 to 60 units. Lead time 10 to 20 days. Re-order quantity 2,500 units. Calculate: (i) Re-order Level, (ii) Minimum Stock Level, (iii) Maximum Stock Level.
<b>5.</b>	Standard time for a job is 60 hours. Worker completes in 48 hours. Wage rate Rs. 10 per hour. Calculate wages under Taylor's Differential Piece Wage System, Halsey Plan and Rowan Plan.
<b>6.</b>	Explain the Flux Rate and Separation Rate methods of measuring Labour Turnover.
<b>7.</b>	What are the different methods of absorption of factory overheads? State merits and demerits of each.
<b>8.</b>	Explain the meaning and treatment of Under-Absorption and Over-Absorption of overheads in cost accounts.
<b>9.</b>	Distinguish between Joint Products and By-Products. How are joint costs apportioned?
<b>10.</b>	What is Marginal Costing? How does it differ from Absorption Costing?
<b>PART II — Attempt ALL Questions. Answer each in 80 words. (5 × 8 = 40 Marks)</b>	
<b>1.</b>	Explain the procedure for reconciliation of Cost and Financial Accounts. State the causes of differences. Prepare an imaginary Reconciliation Statement.
<b>2.</b>	M/S Ram Traders process 5,000 units. Input transferred from Process I: 5,000 units @ Rs. 8. Additional material Rs. 12,000; Labour Rs. 8,000; Overheads Rs. 4,000; Actual output 4,200 units; Normal loss 15% sold at Rs. 2 per unit. Prepare Process II Account and Abnormal Loss Account.
<b>3.</b>	A factory produces a standard product. Standard mix: Material X – 60 kg @ Rs. 5; Material Y – 40 kg @ Rs. 8; Standard output 90 kg. Actual mix: X – 70 kg @ Rs. 6; Y – 50 kg @ Rs. 7; Actual output 108 kg. Compute Material Cost Variances: Price, Mix, Yield and Usage Variance.
<b>4.</b>	What is a Cash Budget? Explain its different forms with examples. Why is it considered an important tool of financial control?
<b>5.</b>	Define Tender Price. How is it determined? Prepare a specimen tender for supply of goods.
<b>PART III — Attempt ANY ONE Question. Answer in 100 words. (1 × 20 = 20 Marks)</b>	
<b>A.</b>	Distinguish between: (a) Fixed, Variable and Semi-Variable Overheads, (b) Allocation and Apportionment of Overheads, (c) Cost Centre and Cost Unit, (d) Integral and Non-Integral Systems of Accounting.
<b>B.</b>	XYZ Ltd. undertook a contract for Rs. 8,00,000. At year-end: Material issued Rs. 1,50,000; Wages paid Rs. 60,000; Wages accrued Rs. 8,000; Indirect expenses Rs. 15,000; Plant issued Rs. 2,40,000; Sub-contract costs Rs. 30,000; Material at site Rs. 12,000; Work uncertified cost Rs. 20,000; Cash received (90% of certified work) Rs. 3,60,000. Plant worth Rs. 30,000 sold after 4 months for Rs. 22,000. Extra work cost Rs. 30,000 for which Rs. 42,000 received. Depreciate plant @ 10% p.a. Prepare Contract Account, transfer reasonable profit to P&L on cash basis.