Total No. of Printed Pages—7

4 SEM TDC COAC (CBCS) C 408

2026

(May/June)

COMMERCE

(Core)

Paper : C–408

(Cost Accounting)

Full Marks : 80

Pass Marks : 32

Time : 3 hours

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

1. *(a)* Fill in the blanks : 1×5=5

   (i) _____ is the main function of cost accounting.

   (ii) Idle time arises only workers are paid on _____.

   (iii) Fixed cost per unit _____ with increase in output.

   (iv) In process costing, output of every process is the _____ of next process.

   (v) Mustard oil is necessary for the preparation of the _____.

(b) Write True or False : 1×3=3

(i) Cost accounting is mainly for internal management.

(ii) Overabsorption means less recovery.

(iii) Non-integral system maintains separate ledgers.

2. Write short notes on any *four* of the following : 4×4=16

(a) Role of Cost Accountant

(b) FIFO

(c) Halsey Method

(d) Labour Turnover

(e) Service Costing

(f) Integral System

3. (a) The following data are taken from the Cost Accounts of a manufacturer in respect of the month of March 2021. Prepare a Cost Sheet with the following information :

	₹
Stock in Hand on 01.03.2021 :	
Raw Materials	25,000
Work-in-Progress	8,220
Finished Goods	17,360

	₹
Purchased of Raw Materials	21,900
Sale of Finished Goods	72,310
Direct Wages	17,150
Stock in Hand on 31.03.2021 :	
Raw Materials	26,250
Work-in-Progress	9,100
Finished Goods	15,750
Non-productive Wages	830
Works Expenses	8,430
Office and Administrative Expenses	3,160
Selling and Distribution Expenses	4,210

Prepare a Statement of Cost and Profit showing—

(i) Cost of Materials used;

(ii) Prime Cost;

(iii) Works Cost;

(iv) Cost of Production;

(v) Cost of Goods Sold;

(vi) Cost of Sales;

(vii) Profit for the month. 14

Or

(b) Explain the meaning of cost accounting. Distinguish between financial accounting and cost accounting. 4+10=14

4. (a) From the following particulars, work out the earnings of a worker for the week under—

   (i) Straight piece-rate system;

   (ii) Differential piece-rate system;

   (iii) Halsey premium system;

   (iv) Rowan system : 14

No. of working hours per week—48 hours

Wages per hour—₹ 3·75

Rate per piece—₹ 1·50

Normal time per piece—20 minutes

Normal output per week—120 pieces

Actual output for the week—150 pieces

80% piece rate when output is below standard

120% piece rate when output is above standard

Or

(b) What do you mean by perpetual inventory system? How does it differ from ABC analysis? State the advantages of ABC analysis. 4+6+4=14

5. (a) From the following particulars, compute a comprehensive machine hour rate : 14

   (i) Cost of machine—₹ 1,00,000, Estimated life—15 years, Residual value—₹ 10,000

(Continued)

   (ii) Machine running hours—2040 hours per machine per annum including idle time of 40 hours due to repairs and maintenance, and breakdown of machine

   (iii) Power consumption of the machine per hour—20 units, Rate of power per 100 units—₹ 80

   (iv) There are two operators in the shop and wages of an operator who is in-charge of two machines—₹ 12,000 p.a.

   (v) Rent, rates and taxes of the shop—₹ 4,800 p.a.

   (vi) Insurance premium for the machine—₹ 400 per quarter

   (vii) General lighting per month—₹ 600

   (viii) Repairs and maintenance expenses per month—₹ 400 per machine

   (ix) Shop supervisor's salary per month—₹ 1,500

   (x) Other factory overhead allocated to the shop—₹ 6,000 p.a.

There are four identical machines in the shop. The supervisor devotes $\frac{1}{5}$th of his time for supervising the machine.

(Turn Over)

Or

(b) Define overhead. What do you mean by absorption of overhead? Discuss the different methods of absorption of overhead. 4+2+8=14

6. *(a)* *XYZ* Ltd. produces the product *A* which requires to be processed in three continuous processes. Following are the particulars relating to each process :

Particulars	*Processes*		
	I	*II*	*III*
Raw material (kg)	200	—	—
Material cost per kg (₹)	4	—	—
Process wastage on input (%)	10	11·11	6·25
Direct labour hours	6	10	8
Labour rate per labour hour (₹)	15	20	25
Overhead rate per labour hour (₹)	7	6	16

You are required to prepare Process A/cs to ascertain the cost of each process and the profit earned if all the finished products are sold at a profit of 30% on sale. 14

Or

(b) Under what circumstances, an enterprise needs to reconcile Cost A/cs and Financial A/cs? State the reasons for which the profit from cost accounting and financial accounting do not tally. 5+9=14

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