

QP CodeD132924	Total Pages:4	Name:		
		Register No.		
FIRST SEMESTER UG DEGREE EXAMINATION, NOVEMBER 2025				
(CUFYUGP)				
COP1MN104/COM1MN104 ESSENTIALS OF COST ACCOUNTING				
2024 Admission onwards				
Answers should be written in English				
Maximum Time :2 Hours	Maximum Marks :70			
Section A				
All Questions can be answered. Each Question carries 3 marks				
1	State the objectives of Cost Accounting.			
2	What is EOQ?			
3	List out different stock levels.			
4	What do you mean by Material Turnover Ratio?			
5	State the advantages of an effective wage system.			
6	<p>From the following data, calculate:</p> <p>(a) Reorder Level (b) Minimum Level (c) Maximum Level</p> <p>Maximum consumption 300 units per week Minimum consumption 100 units per week Average consumption 200 units per week Reorder period 4 to 6 weeks Normal reorder period 5 weeks</p>			
7	<p>From the following information, calculate the Economic Order Quantity (EOQ):</p> <p>Annual demand 12,000 units Cost of placing one order ₹60 Cost of carrying one unit per year ₹2</p>			
8	Explain the term 'VED Analysis'			

9	Write a note on Process costing														
10	State the elements of cost. Ceiling: 24 Marks														
Section B															
All Questions can be answered. Each Question carries 6 marks															
11	Cost accounting is an unnecessary luxury for a business. Do you agree? Discuss														
12	Differentiate between time wage system and piece wage system.														
13	<p>Calculate the wages of 2 workers under Taylor's Differential piece rate system</p> <p>Standard production – 10 units per hour</p> <p>Normal time rate – Rs. 5 per hour</p> <p>Differentials to be applied:</p> <p style="margin-left: 40px;">80% of piece rate for below standard</p> <p style="margin-left: 40px;">120% of piece rate at or above standard</p> <p>In a 10-hour day, Mr. A produced 80 units and Mr. B produced 110 units</p>														
14	<p>A machine costing Rs. 20000 is expected to run for 10 years at the end of which its scrap value is estimated to be Rs.2000. Installation charges are Rs. 200, repairs for 10 years life is estimated to be Rs. 1800 and the machine is expected to run for 2190 hours in a year. Its power consumption will be 15 units per hour at Rs.5 per 100 units. The machine occupies $\frac{1}{4}$ of the area of the department and has two points out of total 10 for lighting. The foreman has to devote about $\frac{1}{3}^{\text{rd}}$ of his time to this machine. The rent for this department is Rs 300 p.m and charges for lighting Rs. 80 per month. The foreman is paid a salary of Rs.960 p.m. Find out the hourly rate assuming insurance is @1% p.a. and expenses on lubrication are Rs. 9 per month</p>														
15	<p>ABC Ltd which recovers overheads at a predetermined rate, provides you the following information</p> <table> <tbody> <tr> <td>Overheads actually incurred</td> <td>: Rs.400000</td> </tr> <tr> <td>Overheads Recovered</td> <td>: Rs. 300000</td> </tr> <tr> <td>Goods sold (Unit)</td> <td>: 20000</td> </tr> <tr> <td>Stock of finished goods</td> <td>: 15000</td> </tr> <tr> <td>Stock of work in progress</td> <td>: 25000 (20% complete)</td> </tr> <tr> <td colspan="2">Unabsorbed overheads were due to rising price levels</td></tr> <tr> <td colspan="2">How would you treat under absorbed overheads in cost accounts?</td></tr> </tbody> </table>	Overheads actually incurred	: Rs.400000	Overheads Recovered	: Rs. 300000	Goods sold (Unit)	: 20000	Stock of finished goods	: 15000	Stock of work in progress	: 25000 (20% complete)	Unabsorbed overheads were due to rising price levels		How would you treat under absorbed overheads in cost accounts?	
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16	From the following transactions prepare stores ledger using LIFO method														

	<p>2012 December 1: opening stock - 500 units at Rs. 4 each</p> <p>Dec 4: purchased – 500 units at Rs. 5</p> <p>Dec 6: Issued 600 units</p> <p>Dec 8: purchased 800 units @ Rs.6</p> <p>Dec 9: issued 500 units</p> <p>Dec 13: Issued 300 units</p> <p>Dec 24: Purchased 500 units @ Rs.7 e</p> <p>Dec 28: Issued 400 units</p>
17	Describe the principles for effective store management
18	How do you classify costs based on functions? (Ceiling: 36 Marks)
Section C	
Answer any ONE Question, carries 10 marks	
19	<p>From the following transactions prepare a stores ledger using Weighted average price method</p> <p>2022 December1- Opening stock 500 units @ Rs. 4 each</p> <p>December 4- Purchased 400 units @ Rs.5 each</p> <p>December 6- Issued 600 units</p> <p>December 8 – Purchased 800 units @ Rs 6 each</p> <p>December 9- Issued - 500 units</p> <p>December 13 – Issued – 300 units</p> <p>December 24 – Purchased 500 units @ Rs. 7 each</p> <p>December 28 – Issued 400 units</p>
20	<p>From the following information for the month of January, prepare cost sheet to show the following components a) Prime cost b) Factory cost c) cost of production d) Total cost</p> <p>Direct material : 50000</p> <p>Direct wages : 35500</p> <p>Factory rent and rates : 1500</p> <p>Office rent and rates : 500</p> <p>Plant repairs and maintenance: 2000</p> <p>Plant depreciation : 1250</p> <p>Factory heating and lighting : 400</p> <p>Factory managers salary : 2000</p> <p>Office salary: 1600</p>

	Directors remuneration: 1500 Telephone and postage: 200 Printing & Stationary : 100 Legal charges : 150 Advertisement : 1500 Salaman's salary : 2500 Showroom rent : 500 Sales : 119200
	(1x10=10 Marks)