

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</p> <p>(b) Minimum Level</p> <p>(c) Maximum Level</p> <p>Maximum consumption 300 units per week</p> <p>Minimum consumption 100 units per week</p> <p>Average consumption 200 units per week</p> <p>Reorder period 4 to 6 weeks</p> <p>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</p> <p>Cost of placing one order ₹60</p> <p>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="padding-left: 40px;">80% of piece rate for below standard</p> <p style="padding-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 $\frac{1}{3}$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> <p>Overheads actually incurred : Rs.400000</p> <p>Overheads Recovered :Rs. 300000</p> <p>Goods sold (Unit) :20000</p> <p>Stock of finished goods : 15000</p> <p>Stock of work in progress : 25000 (20% complete)</p> <p>Unabsorbed overheads were due to rising price levels</p> <p>How would you treat under absorbed overheads in cost accounts?</p>
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)

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COP1MN104/COM1MN104: ESSENTIALS OF COST ACCOUNTING			
2024 Admission onwards			
Maximum Time :2 Hours			Maximum Marks :70
Section A			
All Question can be answered. Each Question carries 3 marks (Ceiling : 24 Marks)			
1	Define Job costing.		
2	What is and Process costing?		
3	Explain the purpose of VED analysis.		
4	What is FSN analysis in stores management?		
5	What are the different types of material losses?		
6	What do you mean by time keeping?		
7	How is normal idle time different from abnormal idle time?		
8	What do you mean by over absorption of overhead?		
9	Explain the allocation of overheads in a manufacturing setup.		
10	What are the important elements of cost sheet?		
Section B			
All Question can be answered. Each Question carries 6 marks (Ceiling : 36 Marks)			
11	Discuss the steps involved in setting up of a costing system.		
12	Elaborate the various techniques of costing.		
13	How is overtime treated in accounting, and why is it important to differentiate between normal and abnormal overtime?		
14	Explain the difference between cost allocation and cost apportionment.		
15	A factory has implemented the Halsey premium plan for its workers. The standard time to complete a particular job is 10 hours. The direct labor rate is ₹25 per hour. A worker took 8 hours to complete the job.		

	You are required to calculate (a) the wages payable to the worker under the Halsey plan. (b) Determine the premium paid to the worker, (c) Find the total earnings (including premium) of the worker.
16	<p>A company uses a particular material in its production process. The following information is available:</p> <p>Annual demand : 20,000 units. Ordering cost per order : ₹ 500. Carrying cost per unit per year : ₹ 2.50.</p> <p>Using the EOQ formula, calculate the (a) Economic Order Quantity (EOQ), and find out (b) How many orders should be placed per year?</p>
17	<p>A company manufactures a product that has the following information:</p> <p>Annual usage: 12,000 units. Ordering quantity: 1,000 units per order. Lead time: 5 to 10 days. Safety stock: 200 units. Maximum consumption rate: 60 units per day. Normal consumption rate: 50 units per day. Minimum consumption rate: 40 units per day.</p> <p>Using the above information, calculate the following stock levels:</p> <p>a) Reorder Level b) Minimum Stock Level c) Maximum Stock Level</p>
18	<p>A worker in a factory is paid under the Merrick's Differential Piece Rate System. The standard time for completing a task is 8 hours, and the worker completed the task in 6 hours.</p> <p>If the worker completes the task in less than or equal to standard time, they are paid ₹25 per piece. If the worker completes the task in more than standard time, they are paid ₹20 per piece. The worker produced 50 units during the day.</p> <p>Calculate the total wages the worker will earn under Merrick's Differential Piece Rate System.</p>
Section C	
Answer any ONE. Each Question carries 10 marks (1x10=10 Marks)	
19	Define Labour. Explain in detail the different wage payment system including the incentive plans.
20	<p>XYZ Ltd. is a manufacturing company that produces a single product. The company provided the following data for the month of May 2023:</p> <p>Direct Costs:</p>

Direct Material Cost = ₹80,000

Direct Labour Cost = ₹60,000

Factory Overheads (Fixed and Variable) = ₹30,000 (Fixed) + ₹20,000 (Variable)

Sales Revenue = ₹2,00,000

Opening Stock of Finished Goods = ₹15,000

Closing Stock of Finished Goods = ₹10,000

Indirect Costs:

Administrative Overheads = ₹12,000

Selling & Distribution Overheads = ₹18,000

Production Information:

Opening Stock of Raw Materials = ₹5,000

Closing Stock of Raw Materials = ₹6,000

Total Units Produced = 4,000 units

Total Units Sold = 3,500 units

Prepare a Cost Sheet showing the Total Cost, Cost per Unit, Profit per unit, and total profit.