Reg. No. : ....

Code No. : 21043 E **Sub. Code : EMCO 61/ EMHO 61**

B.Com. (CBCS) DEGREE EXAMINATION, APRIL 2026.

Sixth Semester

Commerce/Honours — Core

COST ACCOUNTING – II

(For those who joined in July 2023 only)

Time : Three hours Maximum : 75 marks

PART A — ($10 \times 1 = 10$ marks)

Answer ALL questions.

Choose the correct answer :

1. CAS stands for __________

   (a) Cost Accounting System

   (b) Cost Accounting Standards

   (c) Cost Audit System

   (d) Cost Allocation Standard

2. Divisional performance measurement helps in ________

(a) Increasing taxes

(b) Evaluating managers' efficiency

(c) Eliminating departments

(d) Reducing production

3. Job cost is usually estimated on the basis of ________

(a) Consumers specifications

(b) Production cost

(c) Competitor's prices

(d) Govt .regulations

4. Contract costing is the most appropriate method of costing for ________

(a) Construction industry

(b) Banking industry

(c) Textile mills

(d) Cement industry

5. Process cost is ascertained and recorded in ________

(a) Balance sheet

(b) Profit and loss account

(c) Separate statement

(d) Separation account in ledger

6. Inter process profits are

(a) Credited to each process

(b) Debited to the respective process accounts

(c) Shown only in the finished stock A/c

(d) Shown in the Balance sheet

7. Operating costing is a ________

(a) Method of costing

(b) Technique of costing

(c) Norm of costing

(d) Procedure of costing

8. In Good Transport Service the cost unit is ________

(a) Cost per Ton

(b) Cost per Hour

(c) Ton kilometers or miles

(d) Cost per Vehicle

9. Standard costing is a

(a) Method of costing

(b) Technique for cost Production

(c) Cost control Technique

(d) None of the above

10. Usually Standards are set up on the basis of ________

(a) Past performance

(b) Ideal performance

(c) Normal performance

(d) Attainable high performance

PART B — (5 × 5 = 25 marks)

Answer ALL questions by choosing either (a) or (b).

Each answer should not exceed 250 words.

11. (a) Explain the purpose of CAS.

Or

(b) Distinguish between CAS and FAR regulations.

12. (a) Calculate the economic batch quantity for a product using batch costing from the following details :

Annual demand for the product = 2,000 units

Set up cost per batch = Rs.10

Cost of carrying inventory per unit = Re.1

Or

(b) List out the features of Job Costing.

13. (a) Prepare a process account from the following along with abnormal loss account and normal loss account.

Material issued to process 1000 kgs at Rs.200 each; wages Rs.1,40,000 and overhead Rs.20,000. Normal loss 10% of input. Actual output 800 kgs.

Or

(b) Prepare process 'X' account from the following :

Input 100 units at Rs.20 each; wages Rs.3,300; overheads Rs.1,000. Normal loss expected 10% which has no scrap value.

14. (a) Calculate the total kms. and total passenger kms. From the following

Number of buses – 5

Trips made by each bus – 4

Distance of Route – 20 kms (one way)

Days operated in a month – 25

Capacity in each bus – 50 passengers

Normal passengers travelled – 90% capacity

Or

(b) A hospital generated 30,000 units.

Cost of generation = Rs. 90,000

Units used by departments :

- Operation Theatre = 10,000 units
- ICU = 8,000 units
- Ward = 7,000 units
- Laboratory = 5,000 units

Find power cost for each department.

15. (a) You are required to compute material usage variance from the data given below :

Standard material for one unit of output : 3 kg at Rs.10 per kg.

Production during March 2019 : 6,000 units of output

Materials consumed : 20,400 kgs at Rs.11 per kg.

Or

(b) Explain the Advantages of standard costing.

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 600 words.

16. (a) Explain Cost Accounting Standards (CAS) and their importance in cost accounting.

Or

(b) Discuss the methods used for divisional performance measurement.

17. (a) From the data given below, obtained from the books of M/s Punitha & Co., for the year ended 31st Dec. 2020, prepare

(i) Consolidated completed jobs account showing the profit or loss; and

(ii) Consolidated work in progress account.

Particulars	Completed jobs Rs.	Work-in-Progress Rs.
Raw material supplied from stores	9,000	3,000
Chargeable expenses	1,000	400
Wages	10,000	4,000

Material transferred to work-in-progress	200	200
Material returned to stores	100	–

Factory overhead is 80% of wages and office overhead 25% of factory cost. The value of executed jobs during 2018 was Rs.41,000.

Or

(b) Modern Construction Ltd., has taken contracts on 1st Oct. 2020. The position of contracts on 30th Sep. 2021 is as follows :

Particulars	Contract I Rs.	Contract II Rs.
Contract price	27,00,000	60,00,000
Materials	5,80,000	10,80,000
Wages paid	11,24,000	16,50,000
Other expenses	28,000	60,000
Plant at site	1,60,000	3,00,000
Unused material at site	40,000	60,000
Wages payable	36,000	54,000
Other expenses due	4,000	9,000
Work certified	16,00,000	30,00,000
Cash received	12,00,000	22,50,000
Work completed but not yet certified	80,000	90,000

The plant at site is to be depreciated at 10%. Prepare the contract account in respect of each work, showing the notional profit and also the profit to be transferred to profit and loss Account.

18\. (a) A product passes through three processes "X" "Y" and "Z" to its completion. During September 2016, 5,000 units of finished product were produced and the following expenses were incurred :

	Process X Rs.	Process Y Rs.	Process Z Rs.
Material	5,000	10,000	5,000
Direct wages	25,000	20,000	15,000
Direct expenses	2,500	3,000	5,000

Indirect expenses amount Rs.30,000 which are to be apportioned to the processes on the basis of direct wages. Raw materials worth Rs.30,000 were issued to process "X". Ignore the question of process stocks and prepare the process accounts, showing cost per unit in each process.

Or

(b) M/s Joint products Limited processing material "X" produces four joint products A, B, C and D. Cost per tonne of "X" processed is as under :

	Rs.
Material cost	1,350
Labour and overhead cost	900
Total	2,250

The joint products yielded were 540, 180, 118 and 62 kilograms of A, B, C and D respectively, the rest being normal wastage. Apportion the total costs of "X" to each one of the joint products.

19. (a) Transport company runs a bus between two cities 120 km apart. The bus makes one round trip daily and runs 25 days per month.

Monthly expenses :

Particulars	Amount (Rs.)
Driver salary	18,000
Conductor salary	12,000
Diesel	40,000
Repairs	8,000
Insurance	4,000
Depreciation	10,000
Other expenses	8,000

Seating capacity = 40 passengers

Average occupancy = 75%

Prepare an Operating Cost Sheet and find cost per passenger km.

Or

(b) A hospital has 100 beds.

Average occupancy = 80%

Monthly expenses :

Particulars	Amount (Rs.)
Doctors salary	2,00,000
Nurses salary	1,20,000
Medicines	80,000
Food	60,000
Electricity	40,000

Find cost per patient per day.

20. (a) The standard material required to produce 100 units of a product is 500 kg at Rs. 4 per kg.

Actual production = 100 units

Actual material used = 550 kg

Actual price = Rs. 5 per kg

Calculate :

(i) Material Cost Variance (MCV)

(ii) Material Price Variance (MPV)

(iii) Material Usage Variance (MUV)

Or

(b) Budgeted sales = 1000 units

Standard selling price = Rs. 20 per unit

Actual sales = 1200 units

Actual selling price = Rs. 18 per unit

Calculate :

(i) Sales Value Variance

(ii) Sales Price Variance

(iii) Sales Volume Variance