



Seat No. : \_\_\_\_\_

# DB-106

December-2025

IMBA, Sem.-III

IMBA in Finance (FM) / IMBA in HR and Public Administration (HRPA) /  
IMBA in Business Management (BM)

DPPG-IMBA-DSC-C-231 / DPPG-IMBAF-DSC-C-231 / DPPG-IMBAH-DSC-  
C-231 : Cost Accounting (CA)  
(NEP)

Time : 2:00 Hours]

[Max. Marks : 50

1. Explain all the elements of cost and prepare a proper format of Cost Sheet with detailed explanation. 10

OR

1. The net profit of a manufacturing company as per financial records for the year ended 31<sup>st</sup> March, 2013 is ₹ 74,500, whereas the cost accounts show a net profit of ₹ 88,460 for the same period. 10

A careful examination of both accounts reveals the following differences :

Prepare Reconciliation Statement from the below given data :

Sr. No.	Particulars	Amount (₹)
1	Income tax provided in financial books	10,000
2	Bank interest credited in financial books	250
3	Works overhead under-recovered in cost books	1,550
4	Depreciation charged in financial books	5,600
5	Depreciation recovered in cost books	6,000
6	Administration overheads over-recovered in cost books	850
7	Loss due to obsolescence charged in financial accounts	2,800
8	Interest on investments not included in cost accounts	2,000
9	Stores adjustment credited in financial books	240
10	Loss due to depreciation in stock value charged in financial books	3,350

2. The following figures are extracted from the trial balance of a company on 30<sup>th</sup> September, 2010 : 10

Inventories :

Finished Stock	– 80,000
Raw Materials	– 1,40,000
Work-in-progress	– 2,00,000

Office Appliances	– 17,400
Plant and Machinery	– 4,60,500
Building	– 2,00,000
Sales	– 7,68,000
Sales return and rebates	– 14,000
Materials Purchased	– 3,20,000
Freight incurred on materials	– 16,000
Purchase Returns	– 4,800
Direct Labour	– 1,60,000
Indirect Labour	– 18,000
Factory Supervision	– 10,000
Repairs and Upkeeping Factory	– 14,000
Heat, Light and Power	– 65,000
Rates and Taxes	– 6,300
Miscellaneous Factory Expenses	– 18,700
Sales Commission	– 33,600
Sales Travelling	– 11,000
Sales Promotion	– 22,500
Distribution department-Salaries and Expenses	– 18,700
Office Salaries and Expenses	– 8,600
Interest on Borrowed funds	– 2,000

Further details are as available :

(1) Closing Inventories

Finished Goods	– 1,15,000
Raw Materials	– 1,80,000
Work-in-progress	– 1,92,000

(2) Accrued Expenses on

Direct Labour	– 8,000
Indirect Labour	– 1,200
Interest on Borrowed Funds	– 2,000

(3) Depreciation to be provided on :

Office appliance	– 5%
Plant	– 10%
Building	– 4%

(4) Distribution of the following : Depreciation on Building, Heat Light and Power to factory, office and distribution in the ratio of 8:1:1

(5) Rates and Taxes 2/3 to factory and 1/3 to office

With the help of above information, you are required to prepare Cost Statement for the year.

**OR**

2. Explain advantages and limitations of Cost Accounting in detail.

**10**

3. The Balances in Cost Ledger of a Manufacturing Company on January 1,2022 were : **10**
- |  |   |        |
|--|---|--------|
| Stores Ledger Control Account            | – | 3,500  |
| Work-in- progress Ledger Control Account | – | 6,400  |
| Finished Stock Ledger Control Account    | – | 1,000  |
| Cost Ledger Control Account              | – | 10,900 |
- You are given the following information for the year :
- |   |   |          |
|---|---|----------|
| Purchases of Materials                          | – | 20,000   |
| Direct factory wages                            | – | 30,000   |
| Manufacturing expenses                          | – | 17,300   |
| Selling and Distribution Expenses               | – | 2,700    |
| Materials Issued to Production                  | – | 18,600   |
| Manufacturing expenses recovered                | – | 17,220   |
| Selling and Distribution expenses recovered     | – | 2,660    |
| Sales   | – | 1,50,000 |
| Stock of Material as on December 31,2002        | – | 4,900    |
| Stock of Finished Goods as on December 31, 2002 | – | 2,350    |
| Work-in-Progress as on December 31, 2002        | – | 7,350    |
- You are required to show the Journal entries of all the above transactions as well ledger accounts and Trial balance.

**OR**

3. Elaborate the differences between financial accounting and cost accounting. **10**
4. The profit as per cost accounts is ₹ 1,50,000. On comparing the Cost Accounts and Financial Accounts, the following differences are observed: **10**

Item	Cost Accounts (₹)	Financial Accounts (₹)
Opening Stock		
– Materials	10,000	15,000
– Finished Goods	18,000	16,000
Closing Stock		
– Materials	12,000	13,000
– Finished Goods	20,000	17,000

- (1) Interest charged but not paid ₹ 10,000
- (2) Write off : preliminary expenses ₹ 500
- (3) Goodwill ₹ 1,500
- (4) Dividend on Unit Trust of India received ₹ 1,000
- (5) Indirect expenses charged in financial accounts ₹ 80,000 but ₹ 75,500 recovered in cost account

Prepare Profit and Loss Account and Reconciliation Statement.

**OR**

4. Define Cost Accounting and explain Objectives of Cost Accounting in detail with example. **10**

5. Multiple Choice Questions :

10

- (1) \_\_\_\_\_ makes the cost ledger self-balancing.
  - (a) Suspense Account
  - (b) General Ledger Adjustment Account
  - (c) Finished Stock Ledger Account
  - (d) Cost of Sales Account
- (2) When Stores is issued for production, \_\_\_\_\_ control account is debited \_\_\_\_\_ control account is credited.
  - (a) Wages, Work-in-Progress
  - (b) Work-in-Progress, Wages
  - (c) Work-in-Progress, Stores
  - (d) Stores, Work-in-Progress.
- (3) Director's Remuneration and expenses form a part of :
  - (a) Production Overhead
  - (b) Selling Overhead
  - (c) Administrative Overhead
  - (d) Distribution Overhead
- (4) Which of the following is a service department ?
  - (a) Refining Department
  - (b) Machine Department
  - (c) Receiving Department
  - (d) Finishing Department
- (5) Which of the following is not a selling overhead ?
  - (a) Insurance to cover sold goods while in transit.
  - (b) Royalty on sales
  - (c) Legal cost for debt realization
  - (d) Distribution of samples.
- (6) Pre-determined overheads recovery rate is ₹ 3 per hour and predetermined hours are 50,000 and actual hours were 50,500. What is the amount of Over or Under absorption ?
  - (a) ₹ 20,000 over-absorption
  - (b) ₹ 20,000 under-absorption
  - (c) ₹ 1,500 over absorption
  - (d) ₹ 5,000 under absorption.
- (7) Which of the following is an example of Fixed cost ?
  - (a) Direct Material
  - (b) Factory Rent
  - (c) Direct Labour
  - (d) Power consumed in Production
- (8) Which of the following is a financial item and not used in cost accounts ?
  - (a) Depreciation
  - (b) Interest on Capital
  - (c) Direct Wages
  - (d) Indirect materials
- (9) In reconciliation of Cost and Financial Accounts, which of the following is added to the profit as per Cost Accounts ?
  - (a) Over absorption of overheads
  - (b) Under absorption of overheads
  - (c) Income tax paid
  - (d) Interest on loan
- (10) The main objective of budgetary control is to :
  - (a) Ascertain cost per unit
  - (b) Control cost and ensure efficiency
  - (c) Record actual performance
  - (d) Maintain Financial Accounts.