

**MA-210**

May-2025

**Int. B.Com. LL.B. (Hons), Sem.-IV****IL B.Com.-207 : Cost Accounting****Time : 2:30 Hours]****[Max. Marks : 70**

1. Explain in detail arguments for and arguments against cost accounting. **18**

**OR**

1. (A) Discuss the duties of cost auditor. **10**

1. (B) Explain the term behaviour wise classification. **8**

2. The Profit and Loss A/c of Vijay Ltd. for the year ending on 31<sup>st</sup> December, 2024 is as under : **18**

<b>Particulars</b>	<b>₹</b>	<b>Particulars</b>	<b>₹</b>
To Opening stock (1500 units)	3,60,000	By sales	66,00,000
To Direct material	24,00,000	(18,750 units)	
To Direct wages	12,00,000	By Closing stock	6,60,000
To Factory expenses	8,00,000	(2750 units)	
To Gross profit	25,00,000		
	<b>72,60,000</b>		<b>72,60,000</b>
To Office overheads	4,00,000	By Gross profit	25,00,000
To Selling-distribution Overheads	4,50,000		
To Net profit	16,50,000		
	<b>25,00,000</b>		<b>25,00,000</b>

The company will produce 30,000 units and 25,000 units will be sold during 2025. The estimates for changes in various items are as under :

- (1) The price of material will go up by 20%.
- (2) In addition to the proportionate increase in number of workers, another additional wages of ₹ 1,80,000 are to be paid.
- (3) Factory expenses will rise in proportion to the combined cost of material and wages.
- (4) Administrative expenses per unit will be reduced by 20%.

- (5) Selling expenses per unit will go up by ₹ 7.50.  
 (6) The percentage of profit on selling price is to be maintained.  
 Prepare a cost sheet for the year 2025 on the basis of the above information.

**OR**

2. (A) Shridha Ltd. produced and sold 2000 "Radio" during the year 2024. The particulars are as under. Selling price per unit is ₹ 280. **10**

<b>Particulars</b>	<b>₹</b>
Material	2,40,000
Direct wages	1,80,000
Direct expenses	20,000
Factory expenses (40% variable)	30,000
Office expenses (Fixed)	10,000
Selling expenses (50% variable)	20,000

During the year 2025, production and sale estimated at 3000 Radio. The additional information are as under :

- (1) Direct wages per unit will be reduced by 20%.
- (2) Fixed factory expenses will increase by ₹ 3000.
- (3) Fixed office fixed selling expenses will increase by 20%.
- (4) 25% Profit is estimated on cost.

**Prepare :**

- (1) Statement of cost per unit and total cost of 2024.
- (2) Estimated cost statement of 2025.

2. (B) Give specimen cost sheet with imaginary figures of various expenses in detail. **8**

3. The financial account of P Co. Ltd. for the year ended 31-3-2025 is as under : **18**

<b>Particulars</b>	<b>₹</b>
Raw materials consumed	8,40,000
Direct wages	3,60,000
Factory Overheads	3,00,000
Administrative expenses	2,70,000
Selling and Distribution expenses	1,20,000
Preliminary expenses written off	1,80,000
Bad Debts	1,05,000
Opening Stock of finished (1000 units)	60,000
Closing stock of finished (1000 units)	97,500
Sales (16,000 units)	21,00,000
Interest received	10,500
Rent received	12,000

Information received from the cost accounts is as under :

- (1) Raw materials and wages are charged at actual cost.
- (2) Factory overheads are charged at 80% of wages.
- (3) Administrative overheads are charged at 20% of factory cost.
- (4) Selling and distribution expenses are at ₹ 4.5 per unit sold.
- (5) Opening stock of finished goods is valued at ₹ 70 per unit.
- (6) Closing stock of finished goods is a part of production of the year.

**Prepare :**

- (1) Cost sheet
- (2) Profit and loss A/c
- (3) Reconciliation statement

**OR**

3. (A) Prepare Reconciliation statement from the following information :

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Particulars	₹	Particulars	₹
To Direct material	40,00,000	By Sales	1,10,00,000
To Direct wages	10,00,000	By Closing stock	19,00,000
To Factory expenses	13,00,000		
To Gross profit	66,00,000		
	<b>1,29,00,000</b>		<b>1,29,00,000</b>
To Office overheads	25,00,000	By Gross profit	66,00,000
To Selling-distribution overheads	43,50,000	By Dividend received	6,00,000
To Bad debts	1,60,000	By Interest received	2,00,000
To Preliminary expenses	1,50,000		
To Legal charges	50,000		
To Net profit	1,90,000		
	<b>74,00,000</b>		<b>74,00,000</b>

**Cost sheet**

Direct Material	40,00,000
Direct wages	<u>10,00,000</u>
Prime cost	50,00,000
+ Factory Overheads	<u>10,00,000</u>
Factory cost	60,00,000
+ Office Overheads	<u>32,00,000</u>
Cost of production	92,00,000
– Closing stock of finished goods	<u>23,00,000</u>
Cost of goods sold	69,00,000

+ Selling and Distribution Overheads	<u>40,80,000</u>
Total cost	1,09,80,000
+ Profit	<u>20,000</u>
Sales	1,10,00,000

3. (B) What is meant by Reconciliation of Profit as shown by cost accounts and that shown by financial accounts ? **8**

4. (A) From the following information, calculate Break even point and prepare break even chart. **10**

The following data relates to XYZ manufacturing Ltd. which produces and sells a single product :

Selling Price per unit ₹ 16

Variable Cost per unit ₹ 10

Fixed cost per annum ₹ 24,000

**OR**

4. (A) The following figures are taken from the books of a manufacturing concern : **10**

Direct materials	4,10,000
Direct labour	1,50,000
Fixed overheads	1,20,000
Variable overheads	2,00,000
Sales	10,00,000

Calculate the break even point. What will be the effect of B.E.P. of an increase of 10% in (i) Fixed expenses and (ii) Variable expenses ?

4. (B) Objectives : **6**

(1) Where cost are ascertained after they are already incurred, the method used is termed as \_\_\_\_\_.

- |                        |                       |
|------------------------|-----------------------|
| (a) Historical costing | (b) Uniform costing   |
| (c) Standard costing   | (d) None of the above |

(2) Unit costing is used in brick making company. (True/ False)

(3) Notional cost is relevant cost. (True/ False)

(4) Carriage outward will be included in selling overheads. (True/ False)

(5) When several undertakings of the same industry use the same costing principles, they make use of Uniform costing. (True/ False)

(6) Goodwill written off is recorded in –

- |                                |                       |
|--------------------------------|-----------------------|
| (a) Cost accounts              | (b) Financial a/c     |
| (c) Financial a/c and cost a/c | (d) None of the above |