

MC-227

May-2025

Int. BBA, LL.B., Sem.-II**IL-BBA-109 : Cost Accounting****Time : 2:30 Hours]****[Max. Marks : 70**1. Discuss the comparison between Cost Accounting and Financial Accounting. **16****OR**1. (A) What is meant by cost accounting ? State its advantages and limitations. **8**(B) Write Short Note : (Any two) **8**

(1) Standard Costing

(2) Job Costing

(3) Semi Variable Overheads

2. Vidhi Ltd. manufactured and sold 3,000 Air Conditioners in the year 2024. It's summarised Trading and Profit & Loss Accounts for the year 2024 is set out below : **18****Dr. Trading and Profit & Loss Account Cr.**

Particulars	(₹)	Particulars	(₹)
To Cost of Material	9,60,000	By Sales	48,00,000
To Direct Wages	14,40,000		
To Factory Expenses	6,00,000		
To Gross Profit C/f	18,00,000		
	48,00,000		48,00,000
To Salaries	7,20,000	By Gross Profit B/f	18,00,000
To Rent, Rates & Insurance	1,20,000		
To General Expenses	6,60,000		
To Selling Expenses	3,60,000		
	18,60,000	By Net Loss C/f	60,000
			18,60,000

For the year 2025, it is estimated that :

(1) The output and sales will be of 3,600 laptops.

(2) Price of material will rise by 5%.

(3) Wage rate will rise by 5%.

(4) Factory expenses will increase in proportion to the combined cost of Material and Wages.

(5) Selling expenses per unit will remain unchanged.

(6) Other expenses will remain unaffected by the rise in output.

(7) The percentage of profit on selling price is to be kept @ 10%.

Prepare cost statements for year 2024 and 2025.

OR

2. (A) The books of Jayshree Co. present the following data for the month of April, 2024 : Direct labour cost ₹ 5,25,000 being 175% of works overheads. Cost of goods sold excluding administrative expenses ₹ 16,80,000. Inventory accounts showed the following opening and closing balance : 10

Particulars	April 1 st (₹)	April 30 th (₹)
Raw Materials	2,40,000	3,18,000
Work-in-Progress	3,15,000	4,35,000
Finished goods	5,28,000	5,70,000

Other data: ₹

Selling expenses	1,05,000
Administrative expense	75,000
Sales for the month	22,50,000

You are required to :

- (1) Compute the value of materials purchased
- (2) Prepare a statement showing the various elements of cost and also the profit earned.

(B) Write a short note on :

- (1) Work in progress
- (2) Tender Price

3. Rashmi Traders has furnished the following information : 18

Trading and Profit & Loss Account for the year ended 31/3/2024

Particulars	(₹)	Particulars	(₹)
To Materials consumed	3,90,000	By Sales (9,750 units)	10,23,750
To Wages	2,25,000	By Closing stock	18,750
To Factory overheads	1,38,000	(250 units @ ₹ 75)	
To Gross profit	2,89,500		
	10,42,500		10,42,500
To Office overheads	1,59,000	By Gross profit	2,89,500
To Selling expenses	84,000	By Interest	3,000
To Bad debts	7,500	By Rent	84,000
To Goodwill written off	90,000		
To Net profit	36,000		
	3,76,500		3,76,500

The cost sheet shows the following :

- (1) Cost of wages and materials are debited at actual cost.
- (2) Factory overheads are absorbed @ 60% of labour cost.
- (3) Office overheads are absorbed @ 20% on works cost.
- (4) Selling expenses are charged @ ₹ 9 per unit.

You are required to prepare :

- (a) A statement of cost and profit as per cost accounts for the year ended 31st March, 2024.
- (b) A statement showing reconciliation of profit as per cost and financial accounts.

OR

3. (A) Explain reasons for disagreement in profits as per cost accounts and financial accounts. 6
- (B) Trading and Profit & Loss A/c of Advait traders for the year ended 31/12/2024 is as under : 12

Dr.		Trading and Profit and Loss Account		Cr.	
Particulars	(₹)	Particulars	(₹)		
To Material	1,00,000	By Sales	2,40,000		
To Wages	50,000	By Closing stock of Finished goods (4,000 units)	40,000		
To Factory Expenses	20,000	By work-in-progress :			
		Materials	5,000		
		Wages	3,000		
		Factory Exp.	2,000		
To Gross Profit	1,20,000		10,000		
	2,90,000		2,90,000		
To Office expenses	33,750	By Gross profit	1,20,000		
To Selling expenses (₹ 7 per unit sold)	42,000	By Dividend received	2,000		
To Goodwill written off	5,000	By Interest received	3,000		
To Debenture interest	8,250				
Net profit	36,000				
	1,25,000		1,25,000		

In cost Accounts :

- (1) Materials and wages are calculated at actual cost.
- (2) Factory expenses are 10% of prime cost.
- (3) As compared to cost accounts office expenses are 10% less and selling expenses are 20% more in financial accounts.

Prepare :

- (a) Statement of cost
- (b) Reconciliation statement of profit or loss

4. (A) The following balances are extracted from the cost ledger of Mayur Limited as on 1/4/2024 : 14

Particulars	Dr. (₹)	Cr. (₹)
Store ledger control account	75,000	—
Works in progress control accounts	1,26,000	—
Finished goods control account	54,000	—
General ledger control account	—	2,55,000
	2,55,000	2,55,000

The following information is obtained for the year 2024-25 :

Particulars	(₹)
Purchase of materials	5,40,000
Materials issued to production	4,50,000
Carriage inward	30,000
Materials issued to repairs	45,000
Wages paid : productive	2,70,000
Unproductive	<u>90,000</u>
Factory overheads	4,14,000
Administration overheads	2,40,000
Selling overheads	2,10,000
Factory overheads recovered	75% of prime cost
Administrative overheads recovered	2,52,000
Selling overheads recovered	2,04,000
Cost of finished goods	12,00,000
Cost of sales	14,40,000
Sales	18,00,000

From the above information prepare necessary accounts in the Cost Ledger of the company and prepare Trial Balance as on 31/3/2025.

(B) For the following questions, select the correct answer supported by necessary explanation/working note. (Attempt any **Four**)

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- (1) To which account are the wages paid to workers who had gone on strike debited ?
 - (a) Cost Ledger Control Account
 - (b) Factory Overhead Control Account
 - (c) Costing P & L Account
 - (d) Wage Control Account
- (2) From the following incomes, which income is shown in cost accounts also ?
 - (a) Interest received
 - (b) Rent received
 - (c) Income from sale of scrap
 - (d) Dividend received
- (3) Total Cost is ₹ 90,000; rate of profit on selling price is 20%. Profit is _____ .
 - (a) ₹ 18,000
 - (b) ₹ 15,000
 - (c) ₹ 22,500
 - (d) ₹ 11,250
- (4) For normal idle time, which account is debited ?
 - (a) Costing P & L Account
 - (b) Stores Ledger Control Account
 - (c) Factory Overhead Control Account
 - (d) Cost of Sales Account
- (5) Which of the following accounts make the cost ledger self-balancing ?
 - (a) Costing P & L Account
 - (b) Stores Ledger Control Account
 - (c) Cost Ledger Control Account
 - (d) Cost of Sales Account