INDIRA UNIVERSITY, PUNE

SCHOOL OF COMMERSCE & ECONOMICS- BCOM

Term End Examination (2025 Pattern) April- May – 2026- Semester – II

Course Name: Cost and Works Accounting –II **Max. Marks: 50**
Course Code: 25COM23IT **Time: 2:30 Hrs.**

Instructions

- All the Questions are compulsory.
- Figures to the right indicate full marks.
- Use of Simple (Non-Scientific) calculator is allowed

Q1.	**Multiple Choice Questions (any 6 out of 8) (6 Marks)** 1. **Store layout helps in:** a) Increasing cost b) Easy movement of materials c) Reducing production d) Ignoring storage 2. **Process costing is used in:** a) Job production b) Continuous production c) Small orders d) Trading 3. **Contract costing is mainly used in construction activities like buildings, bridges, and roads which require long duration to complete.** a) Short-term jobs b) Long-term projects c) Trading activities d) Service sector 4. **Activity Based Costing is a modern costing technique which allocates overheads based on activities rather than products.** a) Traditional costing b) Activity Based Costing c) Marginal costing d) Job costing 5. **ABC helps management in better decision-making by providing more accurate cost information.** a) Wrong information b) Accurate cost data c) Ignored data d) Estimated data only	CO1

	6. **Under FIFO method, materials purchased earlier are issued first, especially useful when prices are rising.** a) Issues latest stock first b) Issues oldest stock first c) Issues random stock d) No specific order 7. **By-products are secondary products obtained during manufacturing which generally have lower value compared to main products.** a) High value products b) Main products c) Secondary products d) Finished goods only 8. **Work certified means:** a) Completed work not approved b) Work approved by contractee c) Work rejected d) Work pending	
Q2.	**Write short Notes (Any 2 out of 3)** **(8 Marks)** 1. Store Location and Layout 2. Features of Process Costing 3. Activity Based costing	CO2
Q.3	**Solve the following Problem** **(12 Marks)** The following particulars have been extracted in respect of Material-B of Durga Accessories Ltd., Durgapur for the month of March, 2025. Prepare Stores Ledger Account pricing the material issues on the basis of **Last In First Out (LIFO) Method**. 1st Opening stock – 100 units @ ₹ 1.75 5th Purchases – 150 units @ ₹ 1.50 8th Issues – 200 units 12th Purchases – 300 units @ ₹ 1.60 18th Issues – 250 units 22nd Purchases – 400 units @ ₹ 1.70 29th Issues – 400 units 30th Spoilage – 10 units. Ascertain the value of closing stock.	CO3
Q.4	**Solve the following Problem** **(12 Marks)** Reliable Constructions Ltd., Raipur undertook a contract of ₹ 8,00,000 for the construction of a sports Gymkhana on 1st April, 2024. The following information is taken up from the Contract Ledger as on 31st March, 2025 in respect of the above. Materials Directly Issued from Stores 1,30,000 Materials Purchased 70,000 Scrap Materials Sold 8,000 Materials Transferred to Other Contract 10,000 Materials in Hand on Site 11,000 Materials Returned to Stores 6,000	CO5

Direct Wages Paid and Payable	85,000	
Direct Charges	45,000	
Overheads Charged to Contract	40,000	
Sub-Contract Cost	9,000	
Cost of Additional Work	3,400	
Outstanding Direct Expenses	1,600	
Plant Purchased on 1st April, 2024 and Issued Directly	80,000	
Annual Depreciation on Plant	8,000	
Plant Transferred on 1st April, 2024 to Other Contract	40,000	

Cash Received being 90% of Work Certified 3,60,000

Uncertified Work being 8% of Certified Work

You are required to prepare Contract Account and Contractee's Account in the books of Reliable Constructions Ltd., Raipur.

Q.5 **Solve the following Problem** **(12 Marks)** CO6

Amdocs Ltd. Aurangabad has two production Departments- A-1 and A-2 two, service departments – Maintenance and factory Office. Budgeted Cost data and the relevant cost drivers are as follows:

Departmental costs: (Rupees)	
Dept.A-1	600000
Dept. A-2	1700000
Factory Office dept.	300000
Maintenance dept.	240000
Total	**2840000**
Cost Drivers:	
Factory Office Dept.(Numbers of employees)	
Dept.A-1	1080
Dept.A-2	270
Maintenance dept.	150
Total	**1500**
Maintenance Dept.(Number of Work orders)	
Dept . A- 1	570
Dept. A-2	190
Factory Office dept.	40
Total	800

You are required to,

1) Compute the Cost driver allocation percentage and then use these use these percentage to allocate the service department costs, using the direct method.
2) Compute the cost driver allocation percentage and then use these percentages to allocate the service departments costs, using the step method.

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