

INDIRA UNIVERSITY, PUNE

SET-3

SCHOOL OF COMMERCE AND ECONOMICS – M.COM

Term End Examination (2025 Pattern) December – 2025 - Semester – I

Subject Name: Advanced Cost Accounting
Subject Code: 25MOC104T

Max. Marks: 50
Time: 2:30 Hrs.

Instructions

- All questions are compulsory.
- Figures to the right indicates full marks.
- Use of calculator is allowed

CO #	Cognitive Ability	Course Outcome
CO1	Remember	Recall the basic concepts, definitions, objectives, and elements of cost accounting, including material, labour and overheads and identify various methods and techniques of costing such as job, contract, process and operating costing.
CO2	Understand	Understand the fundamental principles and procedure of Cost Accounting related to material, labour, overheads and various methods of costing for accurate classification and interpretation of cost information.
CO3	Apply	Apply theoretical concepts of Cost Accounting to explain material, labour, overheads and methods of costing.
CO4	Analyse	Analyse the labour and overhead costs to identify their components, causes, allocation, apportionment and impact on total cost.
CO5	Evaluate	Evaluate the Cost Sheet using Prime Cost, Works Cost and Total Cost along with inventory control techniques like ABC Analysis, JIT, EOQ and Inventory Turnover Ratio for effective cost management.
CO6	Create	Create cost statements for Job Costing, Contract Costing, Process Costing and Operating Costing to determine cost, profit and efficiency to different operations.

Q1.	Choose the correct option: Any 5 out of 7 1. Cost Unit means _____. a) Product or service for which cost is measured b) Employee performing costing work c) Overhead cost only d) None of these. 2. CAS-1 relates to _____. a) Classification of Cost b) Labour Cost c) Overheads d) Material Cost	(5Marks)	CO1
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	<p>3. Idle time means _____.</p> <p>a) Time spent on productive work b) Time lost during working hours c) Overtime work d) Rest period.</p> <p>4. Fringe benefits include _____.</p> <p>a) Basic wages b) Bonus and welfare facilities c) Penalties d) None of these</p> <p>5. When work certified is between 25% and 50%, profit taken to P&L is _____.</p> <p>a) $\frac{1}{3} \times \text{Notional Profit} \times (\text{Cash Received} / \text{Work Certified})$ b) $\frac{2}{3} \times \text{Notional Profit} \times (\text{Cash Received} / \text{Work Certified})$ c) Full profit d) No profit</p> <p>6. Process loss is recorded in _____.</p> <p>a) Cost Sheet b) Process Account c) Trading Account d) Ledger Account only</p> <p>7. Reapportionment is done to _____.</p> <p>a) Adjust direct costs b) Reallocate service department costs c) Calculate profit d) None of these</p>	
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Q2.	<p>Write True Or False Any 5 out of 7 (5Marks)</p> <ol style="list-style-type: none"> 1. Cost Accounting helps in determining the selling price of products. 2. Cost Centre is a location, person, or item for which costs are ascertained. 3. Economic Order Quantity (EOQ) helps in minimizing total inventory cost. 4. Time rate and piece rate are the two basic methods of remuneration. 5. Retention money is the entire contract price withheld by the contractee. 6. Overheads can be classified by nature, function, and behaviour. 7. High labour turnover always indicates efficient labour management. 	CO2
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Q3.	<p>Write Short Notes Any 2 out of 3 (10 Marks)</p> <ol style="list-style-type: none"> 1. Cost Centers 2. Methods of remuneration 3. Operating Costing 	CO3
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Q4.	<p>You are supplied with the following information of Tanishka Ltd., Tatanagar, for the year ended 31st March 2023. From which work out the production hour rate of recovery of overheads in dept. A, B and C</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Particulars</th> <th rowspan="2">Total</th> <th colspan="3">Production Depts.</th> <th colspan="2">Service Depts.</th> </tr> <tr> <th>A</th> <th>B</th> <th>C</th> <th>D</th> <th>E</th> </tr> </thead> <tbody> <tr> <td>Factory Rent</td> <td>12000</td> <td>2400</td> <td>4800</td> <td>2000</td> <td>2000</td> <td>800</td> </tr> <tr> <td>General Overheads</td> <td>3600</td> <td>100</td> <td>2100</td> <td>800</td> <td>300</td> <td>300</td> </tr> <tr> <td>Indirect Materials</td> <td>5900</td> <td>1200</td> <td>2000</td> <td>1000</td> <td>1300</td> <td>400</td> </tr> <tr> <td>Machinery depreciation</td> <td>5000</td> <td>2500</td> <td>1600</td> <td>200</td> <td>500</td> <td>200</td> </tr> <tr> <td>Electric Lighting</td> <td>4000</td> <td>800</td> <td>2000</td> <td>500</td> <td>400</td> <td>300</td> </tr> <tr> <td>Total</td> <td>30500</td> <td>7000</td> <td>12500</td> <td>4500</td> <td>4500</td> <td>2000</td> </tr> <tr> <td>Estimated Direct Labour Hours</td> <td></td> <td>17500</td> <td>3000</td> <td>1125</td> <td></td> <td></td> </tr> </tbody> </table>	Particulars	Total	Production Depts.			Service Depts.		A	B	C	D	E	Factory Rent	12000	2400	4800	2000	2000	800	General Overheads	3600	100	2100	800	300	300	Indirect Materials	5900	1200	2000	1000	1300	400	Machinery depreciation	5000	2500	1600	200	500	200	Electric Lighting	4000	800	2000	500	400	300	Total	30500	7000	12500	4500	4500	2000	Estimated Direct Labour Hours		17500	3000	1125			CO4
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	<p>Expenses of service Depts., D and E are to be apportioned as per Simultaneous Equation Method as under.</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>A</th> <th>B</th> <th>C</th> <th>D</th> <th>E</th> </tr> </thead> <tbody> <tr> <td>Service Dept D</td> <td>30%</td> <td>40%</td> <td>20%</td> <td>-</td> <td>10%</td> </tr> <tr> <td>Service Dept E</td> <td>10%</td> <td>20%</td> <td>50%</td> <td>20%</td> <td>-</td> </tr> </tbody> </table> <p style="text-align: right;">(10 Marks)</p> <p style="text-align: center;">OR</p> <p>State and explain the principles of an effective remuneration system that ensure labour efficiency and cost control.</p> <p style="text-align: right;">(10 Marks)</p>	Particulars	A	B	C	D	E	Service Dept D	30%	40%	20%	-	10%	Service Dept E	10%	20%	50%	20%	-																			
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Q.5.	<p>The cost of turnover of particular product is made up of the following cost as on 31 March 2019</p> <table border="1"> <tbody> <tr><td>Loading and Unloading on Materials Purchased</td><td>950</td></tr> <tr><td>Productive Wages Payable</td><td>900</td></tr> <tr><td>Materials used in factory</td><td>2,100</td></tr> <tr><td>Sale of Scrap - Raw materials</td><td>750</td></tr> <tr><td>Salary to Watch and Ward Staff</td><td>1,100</td></tr> <tr><td>Materials Used in Office</td><td>600</td></tr> <tr><td>Godown Rent</td><td>3,500</td></tr> <tr><td>Materials Used in manufacturing-Direct</td><td>55,750</td></tr> <tr><td>Labour required for Factory Supervision</td><td>1,800</td></tr> <tr><td>Cost of Special Drawings</td><td>3,300</td></tr> <tr><td>Expenses of Management</td><td>1,200</td></tr> <tr><td>Materials Used in selling and distribution</td><td>1,500</td></tr> <tr><td>Freight Inward</td><td>4,050</td></tr> <tr><td>Delivery Van Running Expenses</td><td>1,000</td></tr> <tr><td>Hire of Plant</td><td>1,700</td></tr> <tr><td>Labour required in production-Direct</td><td>9,100</td></tr> <tr><td>Office Supplies and Expenses</td><td>2,200</td></tr> <tr><td>Materials Used in Primary Packing</td><td>10,000</td></tr> </tbody> </table> <p>Assuming that all goods manufactured are sold, what should be the selling price to obtain a profit of 20% on Value of Turnover?</p> <p>Prepare a Cost sheet of Sunshine Ltd., Sholapur showing:</p> <ol style="list-style-type: none"> Direct material cost Prime cost factory cost cost of Production Cost of Turnover Selling Price <p style="text-align: right;">(10Marks)</p> <p style="text-align: center;">OR</p> <p>Explain the objectives of Cost Accounting with special reference to cost planning, cost control, and decision-making.</p> <p style="text-align: right;">(10Marks)</p>	Loading and Unloading on Materials Purchased	950	Productive Wages Payable	900	Materials used in factory	2,100	Sale of Scrap - Raw materials	750	Salary to Watch and Ward Staff	1,100	Materials Used in Office	600	Godown Rent	3,500	Materials Used in manufacturing-Direct	55,750	Labour required for Factory Supervision	1,800	Cost of Special Drawings	3,300	Expenses of Management	1,200	Materials Used in selling and distribution	1,500	Freight Inward	4,050	Delivery Van Running Expenses	1,000	Hire of Plant	1,700	Labour required in production-Direct	9,100	Office Supplies and Expenses	2,200	Materials Used in Primary Packing	10,000	CO5
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Q.6.	<p>Bharat Constructions, Baroda undertook a contract for construction of a library building. The following is the information relating to the contract during the year 2023-24</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;">Particulars</th> <th style="width: 20%;">Rs.</th> </tr> </thead> <tbody> <tr> <td>Materials sent to Site</td> <td style="text-align: right;">1,00,000</td> </tr> <tr> <td>Materials Purchased and issued</td> <td style="text-align: right;">70,698</td> </tr> <tr> <td>Materials Returned to Stores</td> <td style="text-align: right;">1,098</td> </tr> <tr> <td>Materials at Site on 31st March, 2019</td> <td style="text-align: right;">3,766</td> </tr> <tr> <td>Labour Engaged on site</td> <td style="text-align: right;">1,40,000</td> </tr> <tr> <td>Wages Accrued and due but not paid</td> <td style="text-align: right;">8,750</td> </tr> <tr> <td>Engineer's Fees</td> <td style="text-align: right;">6,334</td> </tr> <tr> <td>Direct Expenses Payable</td> <td style="text-align: right;">580</td> </tr> <tr> <td>General Overheads</td> <td style="text-align: right;">8,252</td> </tr> <tr> <td>Overheads Outstanding</td> <td style="text-align: right;">9,250</td> </tr> <tr> <td>Plant Installed at site at cost</td> <td style="text-align: right;">41,500</td> </tr> <tr> <td>Errection Charges on site for Plant</td> <td style="text-align: right;">1,250</td> </tr> <tr> <td>Scrap Value of Plant after its life of five years</td> <td style="text-align: right;">2,750</td> </tr> <tr> <td>Work Certified</td> <td style="text-align: right;">3,90,000</td> </tr> <tr> <td>Cost of Work not Certified</td> <td style="text-align: right;">9,000</td> </tr> <tr> <td>Cash received from Contractee</td> <td style="text-align: right;">3,60,000</td> </tr> </tbody> </table> <p>Prepare contract Account and Contractee's Account. Also show the amount of profit which you consider might be fairly taken on the Contract and how you have calculated the same. (10 Marks)</p>	Particulars	Rs.	Materials sent to Site	1,00,000	Materials Purchased and issued	70,698	Materials Returned to Stores	1,098	Materials at Site on 31st March, 2019	3,766	Labour Engaged on site	1,40,000	Wages Accrued and due but not paid	8,750	Engineer's Fees	6,334	Direct Expenses Payable	580	General Overheads	8,252	Overheads Outstanding	9,250	Plant Installed at site at cost	41,500	Errection Charges on site for Plant	1,250	Scrap Value of Plant after its life of five years	2,750	Work Certified	3,90,000	Cost of Work not Certified	9,000	Cash received from Contractee	3,60,000	CO6
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