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BRAINWARE UNIVERSITY

Term End Examination 2025-2026
Programme – B.Com.(AFB)-Hons]-2023/B.Com.(AFB)-Hons]-2024/B.Com.(AFB)-Hons]-2025
Course Name – Cost Accounting
Course Code - BBF20103/BBF20102
(Semester II)

Full Marks : 60 **Time : 2:30 Hours**

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group-A

(Multiple Choice Type Question) 1 x 15=15

1. *Choose the correct alternative from the following :*

(i) The most important element of cost is

a) Material b) Labour
c) Overheads d) All of these

(ii) State which of the following methods smoothes out the effect of fluctuations when material prices fluctuate widely -

a) FIFO b) Simple Average
c) LIFO d) Weighted average

(iii) Identify the branch of accounting that deals with recording and controlling production costs.

a) Financial Accounting b) Cost Accounting
c) Management Accounting d) Environmental Accounting

(iv) Select the technique used to compare actual costs with standard costs.

a) Ratio Analysis b) Variance Analysis
c) Cash Flow Analysis d) Audit Analysis

(v) Select the material used in furniture that is a Direct Material.

a) Nails b) Glue
c) Wood d) Polish

(vi) Select the item that is an Indirect Labour cost.

a) Carpenter b) Tailor
c) Supervisor d) Assembly Worker

(vii) Locate the storage record kept inside the warehouse by the storekeeper.

a) Store Ledger b) Bin Card
c) Purchase Day Book d) Journal

(viii) Select the term used for the time for which the employer pays but from which no production is derived.

a) Overtime b) Idle Time
c) Standard Time d) Actual Time

(ix) Choose the document used to record the time spent by a worker on different jobs or work orders.

a) Attendance Register b) Time Card
c) Job Card d) Payroll Sheet

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(x) Identify the situation where actual hours worked are less than the hours for which payment is made.

a) Overtime | b) Labor Turnover
c) Idle Time | d) Efficiency

(xi) Choose the labor turnover ratio that measures the number of employees replaced during a period.

a) Separation Rate | b) Replacement Rate
c) Flux Rate | d) Retention Rate

(xii) Choose the term for the movement of people into and out of the workforce of an organization.

a) Labor Productivity | b) Labor Turnover
c) Labor Efficiency | d) Labor Attendance

(xiii) Select the system where Standard Time is used as a benchmark for measuring performance.

a) Time Rate | b) Incentive Plans
c) Simple Piece Rate | d) Day Work

(xiv) Choose the method of labor turnover calculation that ignores workers who left but were not replaced.

a) Separation Method | b) Replacement Method
c) Flux Method | d) None of the above

(xv) Choose the level of activity at which a business usually operates, taking into account the average demand over a long period.

a) Maximum Capacity | b) Normal Capacity
c) Idle Capacity | d) Practical Capacity

Group-B

(Short Answer Type Questions) 3 x 5=15

2. Illustrate the terms Prime Cost and COGS. (3)
3. You are required to calculate the total cost using the furnished information: Raw materials consumed Rs. 100000 Direct Wages Rs. 50000 Direct Expenses Rs. 25000 Factory related indirect expenditures are amounted Rs. 15000 Stationeries Rs. 2900 Printing charges Rs. 3300 Accountant's salary Rs. 12000 Rent of office Rs. 2200 Audit fees Rs. 5000 Salesmen's' Commission Rs. 2100 Carriage outward Rs. 1100 Advertisement expenses Rs. 1000 Opening stock of finished goods Rs. 2000 Closing stock of finished goods Rs. 2200 (3)
4. Distinguish between Cost Accounting & Financial Accounting. (3)
5. Explain abnormal loss and abnormal gain. (3)
6. A company manufactures a product having a monthly demand of 2,000 units. For one unit of finished product, 2 kgs. of a particular raw material item is needed. The purchase price of material is ₹ 20 per kg. The ordering cost is ₹ 120 per order and the holding cost is 10% per annum. Calculate: (i) Economic Order Quantity (EOQ); and (ii) Total ordering cost and total carrying cost. (3)

OR

In a factory component 'A' is used as follows :

(i) Normal usage 50 kg per week.
(ii) Maximum usage 75 kg per week.
(iii) Re-order quantity 300 kg.
(iv) Re-order period 4 to 6 weeks.

Calculate for component 'A' :

(a) Re-order level; (b) Maximum level; (c) Minimum level; and (d) Average stock level.

Group-C

(Long Answer Type Questions) 5 x 6=30

7. A worker produces 180 units in a week. The guaranteed weekly wage payment for 44 hours is Rs. 77. The expected time to produce one unit is 16 minutes which is further raised by 25% under the incentive scheme. Compare the earnings per hour of the worker under the Halsey and Rowan scheme. (5)

8. (5)

Costs	60% Capacity Rs.	90% Capacity Rs.
Cost A	24,000	24,000
Cost B	22,000	25,000
Cost C	24,000	36,000

Identify the behaviour of each of the cost from the table above and calculate total cost at 80% capacity.

9. Differenciate between Halsey's and Rowan's premium plan. (5)
10. From the following information relating to Process - 1, prepare: (i) Process - 1 Account; and (ii) Abnormal Loss Account. (5)
    (a) Units introduced 2000 units @ ₹ 20 per unit.
    (b) Labour cost ₹ 10,800.
    (c) Production overhead ₹ 14,000.
    (d) Normal loss 10% of input. No scrap value.
    (e) Units produced 1,700 units.

11. From the following particulars, prepare a Cost Sheet for the year 2025: Opening Stock of Raw Materials – ₹40,000 Purchases of Raw Materials – ₹2,60,000 Carriage Inwards – ₹10,000 Closing Stock of Raw Materials – ₹35,000 Direct Wages – ₹1,20,000 Direct Expenses – ₹20,000 Factory Rent – ₹50,000 Power & Fuel – ₹30,000 Factory Supervisor Salary – ₹40,000 Opening Work-in-Progress – ₹25,000 Closing Work-in-Progress – ₹30,000 Office Salaries – ₹60,000 Office Rent – ₹20,000 Printing & Stationery – ₹10,000 Opening Finished Goods – ₹45,000 Closing Finished Goods – ₹55,000 Advertising – ₹35,000 Salesmen Salaries – ₹25,000 Carriage Outwards – ₹15,000 Sales – ₹7,50,000 (5)
12. Explain Re-order level, Re-order period and Safety stock with examples. (5)

OR

You are requested to illustrate store ledger Account under FIFO Method using the following particulars: Opening Stock: 300 units @ ₹20; Feb 2 – Purchased 200 units @ ₹22. Feb 5 – Issued 250 units; Feb 8 – Purchased 150 units @ ₹21; Feb 10 – Issued 100 units; Feb 14 – Purchased 200 units @ ₹23; Feb 18 – Issued 180 units; Feb 21 – Purchased 100 units @ ₹24; Feb 25 – Issued 120 units; Feb 27 – Issued 50 units; (5)

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