

QP Code: D 123025		Total Pages: 3	Name:
			Register No.
SECOND SEMESTER (CUFYUGP) DEGREE EXAMINATION, APRIL 2025			
B.Com / B.Com Professional			
COM2MN104/COP2MN104 : Cost Book Keeping and Cost Accounting Standards			
2024 Admission onwards			
Maximum Time :2 Hours		Maximum Marks :70	
Section A			
All Questions can be answered. Each Question carries 3 marks(Ceiling : 24 Marks)			
1	Discuss the impact of Cost Accounting Standards on financial reporting.		
2	Explain the importance of Cost Accounting Standards in improving profitability.		
3	Discuss the objectives of GACAP in cost accounting practices.		
4	What is the role of CAS 5: Determination of Average (Equalized) Cost, in cost management ?		
5	Discuss the relevance of CAS 6: Material Cost in inventory valuation		
6	Explain the key aspects of CAS 7: Employee Cost		
7	What are the advantages of an Integrated Accounting System?		
8	What is the role of Cost Ledger Control Accounts in cost bookkeeping?		
9	How can operating costing be used for pricing decisions in service industries?		
10	Why Reconciliation of Costing and Financial Profit assumes significance ?		
Section B			
All Questions can be answered. Each Question carries 6 marks(Ceiling : 36 Marks)			
11	Journalise the following transactions assuming that cost and financial accounts are integrated:		
	Particulars	₹	
	Raw material purchased	40,000	
	Direct materials issued to production	30,000	
	Wages paid (30% indirect)	24,000	
	Wages charged to production	16,800	
	Manufacturing expenses incurred	19,000	
	Manufacturing overhead charged to Production	18,000	
	Selling and distribution cost	4,000	
	Finished products (at cost)	40,000	
	Sales	58,000	
	Closing stock	Nil	
	Receipts from debtors	13,800	
	payments to creditors	12,000	
12	20 Hp unit is required to drive a pump for watering an agricultural farm. Two plans A and B for supplying are under consideration :		

		A	B																				
	Purchase and installation	₹ 10,000	₹ 4,000																				
	Life in years	4	4																				
	Salvage value	1,000	–																				
	Interest on capital	10%	10%																				
	Maintenance per year	₹ 3,000	–																				
	Maintenance per hour	–	0.50																				
	Operating wages per hour	₹ 0.20	₹ 0.60																				
	Power per hour	₹ 1.00	–																				
	Fuel and oil per hour	–	2.00																				
	Assuming that 3 million litres of water is to be pumped in a year and that the pump will pump 1,000 litres in an hour, find out the cost per 1,000 litres of water under both the plans and find out the number of hours for which the operating costs of both the machines will be even																						
13	Discuss the significance of Cost Accounting Standards in managerial decision-making.																						
14	Explain the challenges and limitations in the implementation of Cost Accounting Standards in India.																						
15	Explain the role of CAS 4: Cost of Production for Captive Consumption affect pricing decisions																						
16	What are the Applications of Cost Accounting Standards in Educational Institutions ?																						
17	How can cost of quality be measured and presented effectively?																						
18	What are the major cost elements considered in operating costing?																						
Section C																							
Answer any ONE .Each Question carries 10 marks(1x10=10 Marks)																							
19	The following balances are shown in the Cost Ledger of Vinak Ltd. as on 1st October, 2016:																						
	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Dr. (₹)</th> <th>Cr.(₹)</th> </tr> </thead> <tbody> <tr> <td>Work in progress Account</td> <td>7,056</td> <td></td> </tr> <tr> <td>Factory overheads suspense Account</td> <td>360</td> <td></td> </tr> <tr> <td>Finished stock Account</td> <td>5,274</td> <td></td> </tr> <tr> <td>Stores Ledger Control Account</td> <td>9,450</td> <td></td> </tr> <tr> <td>Administration Overheads Suspense A/C</td> <td>180</td> <td></td> </tr> <tr> <td>General Ledger Adjustment Account</td> <td></td> <td>22,320</td> </tr> </tbody> </table>	Particulars	Dr. (₹)	Cr.(₹)	Work in progress Account	7,056		Factory overheads suspense Account	360		Finished stock Account	5,274		Stores Ledger Control Account	9,450		Administration Overheads Suspense A/C	180		General Ledger Adjustment Account		22,320	
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	Transactions for the year ended 30th september, 2017																						

Particulars	₹
Stores issued to production	45,370
Stores purchased	52,400
Material purchased for direct issued to production	1,135
Wages paid (including indirect labour ₹ 2,520)	57,600
Finished goods sold	1,18,800
Administration expenses	5,400
Selling expenses	6,000
Factory overheads	15,600
Store issued for Capital work-in-Progress	1,500
Finished goods transferred to warehouse	1,08,000
Store issued for factory repairs	2,000
Factory overheads recovered to production	16,830
Administration overheads charged to production	4,580
Factory overheads applicable unfinished work	3,080
selling overheads allocated to sales	5,500
Stores lost due to fire in store (not insured)	150
Administration expenses on unfinished work	850
Finished goods stock on 30.9.2016	14,274

You are required to record the entries in the cost ledger for the year ended 30th September, 2017

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The net profits shown by financial accounts of a company amounted to Rs. 18,550 whilst the profits disclosed by company's cost account for that period were Rs. 28,660. On reconciling the figures, the following difference were noted

	₹
(i) Director's fee not charged in cost accounts	650
(ii) A provision for bad and doubtful debts	570
(iii) Bank interest (cr.)	30
(iv) Income-tax	8,300
(v) Overheads in the cost accounts were estimated at Rs. 8,500. The charges shown by the financial books was Rs. 8,320.	
(vi) Work was started during the year on a new factory and expenditure Rs.16,000 was incurred. Depreciation of 5% was provided in financial accounts.	

Prepare a Statement Reconciling the figures shown by the cost and financial accounts.