



Rambaliga

Avinashilingam Institute for Home Science and Higher Education for Women

Deemed to be University Estd. u/s 3 of UGC Act 1956, Category A by MHRD (now MoE)

Re-accredited with A++ Grade by NAAC. CGPA 3.65/4, Category I by UGC

Coimbatore - 641 043, Tamil Nadu, India

Continuous Internal Assessment Test I – February 2026

VI Semester

Class : III UG

Major : B.Com / B.Com (PA) / B.Com CS

Time: 2 hours

Maximum Marks: 60

23BCPC12 Cost and Management Accounting

Course Outcomes:

At the end of the course, students will:

1. Understand the basic of Cost and Management accounting
2. Ability to determine the Cost of Products and Services
3. Critically analyze relevant costs and provide recommendations for decision making
4. Analyse the financial statements of a company
5. Prepare plans and budgets and analyze variances from standard cost to pinpoint areas that need control

Part - A

6 x 1 = 6

Choose the Correct Answer

1. FIFO method issues material at
a. Latest price b. Average price c. Oldest price d. Standard price **CO1 K2**
2. Which of the following is not included in cost sheet?
a. Abnormal losses b. Direct materials c. Factory overhead d. Administrative overhead **CO1 K1**
3. Normal idle time arises due to
a. Improper work schedule b. Strike c. Seasonal factors d. Poor supervision **CO2 K1**
4. Which system is suitable where quality is more important than quantity?
a. Piece rate system b. Time rate system c. Halsey plan d. Rowan plan **CO2 K1**
5. Which of the following is *not* a financial statement?
a. Balance Sheet b. Profit and Loss Account **CO3 K1**
c. Cash Flow Statement d. Trial Balance
6. Trend analysis is based on
a. One year data b. Two years data c. Base year comparison d. Industry averages **CO3 K1**

Part - B

3 x 6 = 18

Answer ALL Questions

Each answer should not exceed 400 words or two pages

7. a. Explain the objectives of cost accounting. **CO1 K2**
(or)
7. b. Compute the economic ordering from the following particulars **CO1 K3**
Annual Usage: 6000 units
Cost of material per unit: ₹ 20
Cost of placing and receiving one order: ₹ 60
Annual carrying cost of one unit: 10% of inventory value.
8. a. State basis for distributing the following overhead expenses to departments **CO2 K3**
i. Municipal Rent, ii. Store service expenses iii. Lighting
iv. Factory Rent v. Creche expenses vi. Insurance on Building and Machinery
(or)
8. b. From the following information, compute the labour turnover rate by applying **CO2 K3**
i) Separation method ii) Replacement Method iii) Flux Method
Number of workers at the beginning of the year: 900
Number of workers at the end of the year: 1,100
During the year 10 workers left while 40 workers were discharged. 150 workers are recruited. Of these 25 workers are recruited to the vacancies of those leaving and the rest are engaged in accordance with an expansion scheme.
9. a. What do you understand by financial statement? State the objectives of financial statement. **CO3 K2**
(or)

9. b. From the following particulars obtained from the records of a company, prepare a Common Size Statement of Profit and Loss:

CO3 K3

Particulars	₹	₹
Revenue from operations(sales)	60,00,000	35,00,000
Purchase of stock-in-trade	40,00,000	22,50,000
Changes in inventories	(3,00,000)	2,00,000
Other income	2,00,000	1,50,000
other expenses	1,50,000	1,00,000
Income tax(rate)	35%	40%

Part - C

3 x 12 = 36

Answer ALL questions

Each answer should not exceed 800 words or four pages

10. a. The following data have been extracted from the books of Sunshine Industries Ltd., for the year 2023:

CO1 K4

	₹		₹
Opening Stock of Raw Material	25,000	Indirect Consumption of Material	500
Purchase of Raw Material	85,000	Salary-Office	2,500
Closing Stock of Raw Material	40,000	Salary-Salesmen	2,000
Carriage Inward	5,000	Other Factory Expenses	5,700
Wages-Direct	90,000	Other Office Expenses	900
Wages-Indirect	10,000	Manager's Remuneration	12,000
Rent and Rates-Factory	5,000	Bad Debts written off	1,000
Rent and Rates -Office	500	Advertising Expenses	2,000
Cash Discount	5,000	Carriage and Freight Outward	1,000
Depreciation - Plant and Machinery	1,500	Travelling Expenses of Salesmen	1,100
Depreciation -Office Furniture	100	Sales	2,50,000
Advance income Tax Paid	15,000		

The manager has the overall charge of the company, and his remuneration is to be allocated as ₹ 4,000 to the factory, ₹ 2,000 to the office and ₹ 6,000 to the selling operations.

From the above particulars prepare a statement showing (a) Prime cost; (b) Factory cost; (c) Cost of Production; (d) Cost of Sales and (e) Net Profit.

(or)

10. b. The following transactions occur in the purchase and issue of a material during Jan- mar 2024

CO1 K4

- Jan 2 purchased 4,000 units @ ₹ 4.00 per unit
- Jan 20 purchased 500 units @ ₹ 5.00 per unit
- Feb 5 Issued 2,000 units
- Feb 10 purchased 6,000 units @ ₹ 6.00 per unit
- Feb 12 Issued 4,000 units
- March 2 Issued 1,000 units
- March 5 Issued 2,000 units
- March 15 purchased 4,500 units @ ₹ 5.50 per unit
- March 20 Issued 3,000 units

From the above, prepare the stores ledger account by adopting the FIFO and LIFO method
What would be the value of stock at the end of the period according to each of these two methods?

11. a. From the following particulars, work out the earnings for the week of a worker under: CO2 K4

- i) Straight Piece Rate System
- ii) Differential Piece Rate system
- iii) Halsey Premium System
- iv) Rowan system
- Number of working hours per week
- Wages per Hour
- Rate per Piece
- Normal time per piece
- Normal output per week
- Actual output per week

48
₹ 3.75
₹ 1.50
20 Minutes
120 pieces
150 pieces

(or)

11. b. A company has three production departments and two service departments, and for a period the departmental distribution summary has the following totals

CO2 K4

	Production Department			Service Department	
	P1	P2	P3	S1	S2
Direct Expenses (₹)	800	700	500	234	300

The expenses of the service departments are charged out on a percentage basis as follows

	P1	P2	P3	S1	S2
Service Department S1	20%	40%	30%	-	10%
Service Department S2	40%	20%	20%	20%	-

Prepare a statement showing the apportionment of two service departments expenses to production departments by applying Simultaneous Equation Method.

12. a. Discuss the various methods used for analysis of financial statements.
(or)

CO3 K3

12. b. Prepare Comparative statement from the following data.

CO3 K4

Income Statement	2020 ₹ in lakhs	2021 ₹ in lakhs
Net sales	600	750
Cost of Goods sold	400	600
Administrative Expenses	20	20
Selling Expenses	10	10
Net Profit	170	120

Balance Sheets	2020 ₹ in lakhs	2021 ₹ in lakhs
Equity Capital	400	400
6% Preference Share Capital	300	300
Reserves	200	245
6% Debentures	100	150
Bills Payable	50	75
Creditors	150	200
Tax Payable	100	150
	1300	1520
Land	100	100
Buildings	300	270
Plant	300	270
Furniture	100	140
Stock	200	300
Cash	?	?
	1300	1520

No. of Copies : 120 + 150

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