

2025

COST ACCOUNTING - II — MDC**Paper : MDC-3****Full Marks : 75***The figures in the margin indicate full marks.**Candidates are required to give their answers in their own words
as far as practicable.***Group - A**Answer *any three* questions.

1. A transport company is running five buses between Digha-Howrah route which are 225 kms apart. Seating capacity of each bus is 50 passengers. Actually, passengers carried were 80% of seating capacity.

All buses run on all days (30 days) in a month.

Each bus made one round trip per day.

Find out total passenger-kilometers run by five buses during a month.

5

2. (a) What are the differences between joint-product and by-product?

(b) Give two examples of joint-products and by-products each.

3+2

3. The following particulars are available from the records of XYZ Ltd. :

Particulars	Units	Degree of completion
Opening WIP	10,000	50%
Units introduced in the process	30,000	—
Complete units transferred to the next process	25,000	100%
Closing WIP	15,000	80%

Calculate equivalent production units by using FIFO basis.

5

4. Write short notes on :

(a) Cost-Driver

(b) Cost-Pools.

3+2

Please Turn Over**(5050)**

5. Total cost incurred in the Process ₹ 1,64,450
 Units introduced in the Process 26,000
 Scrap value per unit of Normal loss ₹ 3
 Cost per unit of output of the process ₹ 6.50
 Calculate the percentage of Normal loss in the Process.

5

Group - BAnswer *any three* questions.

6. (a) What is activity-based costing?
 (b) Following information are available in relation to two products of a company :

	Product X	Product Y
Units produced	2,000	200
Machine hours per unit	8	8
Machine set-up hours per product line	10	10

Budgeted machine set-up cost is estimated at ₹ 35,200.

Compute overhead cost per unit of each product using activity-based costing method. 2+8

7. Prepare a cost-sheet for production and sale of 1,000 units of product 'M' from the following details : 10

– Direct Material consumed	– ₹ 80,000
Direct wages (at ₹ 5.00 per hour) :	
– Department X	– ₹ 50,000
– Department Y	– ₹ 30,000
– Department Z	– ₹ 20,000

Factory overheads :

Department X : 5,000 Machine hours worked @ ₹ 4.00 per machine hour.

Department Y : ₹ 2.00 per labour hour

Department Z : 50% of Direct Wages.

Administrative overheads are charged @ 20% of works-cost. Selling overheads are charged ₹ 10.00 per unit.

8. During April, 2025 5,000 units of Product A and 6,000 units of Product B were manufactured jointly by incurring the following costs :

	(₹)
Direct Materials	13,000
Direct Labour	5,000
Variable Overheads	4,000
Fixed Overheads	11,000

Sales value :

Product - A – 5,000 units @ ₹ 5.20 per unit

Product - B – 6,000 units @ ₹ 3.00 per unit.

- (a) Allocate the joint cost to Products - A and B under the following methods :

- On the basis of quantity produced and sold
- On the basis of sales value.

- (b) Calculate the Profit for the two products under the above two methods.

6+4

9. (a) Mention five reasons for variation of Profit between Cost and Financial accounts.

- (b) What will be the effect of the following adjustments on the profit (Increase / Decrease / No effect) calculated as per cost accounts :

- Opening Stock overstated in cost account;
- Factory Overheads under-recovered in cost accounts;
- Same amount of selling and distribution overhead charged in cost and financial accounts;
- Bank interest credited only in financial accounts;
- Depreciation overcharged in cost accounts.

5+5

10. From the following information, prepare the necessary Ledger Accounts in the cost ledger :

10

	Opening Balance	Closing Balance
	(₹)	(₹)
Store ledger control A/c	40,000	50,000
Work-in-progress control A/c	28,000	37,000
Finished stock control A/c	33,000	35,000

Following transactions took place during the period :

	(₹)
Materials purchased	95,000
Direct wages paid	50,000
Overhead incurred	25,000
Overhead recovered	34,000
Sales	1,60,000

Please Turn Over

Group - CAnswer *any two* questions.

11. From the following information in respect of Contract No. 421 for the year ended 31.03.2025 prepare the Contract Account : 15

	(₹)
Materials sent to site	3,00,000
Wages paid	3,60,000
Wages unpaid	6,000
Plant sent to site	4,00,000
Other expenses	52,000
Materials returned to store	10,000
Materials lying at site at the end of the year	16,000
Materials stolen from site	20,000
Insurance claim admitted for materials stolen	14,000
Work uncertified	22,000
Cash received	7,20,000

Plant is subject to depreciation @ 5% p.a. and cash has been received to the extent of 90% of work-certified.

12. SUNRISE LTD. manufactures a product which passes through two processes – Process-X and Process-Y and then transferred to finished stock. The following information are available from the cost records :

	Process – X	Process – Y
Input (units)	30,000	26,000
Materials (₹)	60,000	8,000
Labour (₹)	36,000	30,550
Overhead (₹)	18,000	21,900
Scrap value per unit (₹)	2.00	3.00
Normal loss	10%	?

There was no opening or closing work-in-progress.

The final output from Process-Y transferred to finished stock which was 25,000 units.

These finished goods are sold at ₹ 7.50 per unit with a profit of ₹ 1.00 per unit.

Prepare Process Accounts, Abnormal Loss A/c, Abnormal Gain A/c, Normal Loss A/c and also find out the rate of normal loss in Process-Y A/c.

13. From the following information, calculate cost of running a taxi per km :

15

Cost of Taxi : ₹ 6,00,000 with total life of 5,00,000 km.

Driver's salary	₹ 2,800 p.m.
Cleaner's salary	₹ 1,200 p.m.
Repairs	₹ 14,400 p.m.
Garage Rent	₹ 9,600 p.m.
Tax	₹ 4,800 p.m.
Diesel consumption	6 km. per litre
Diesel cost	₹ 18 per litre
Oil and other sundries	₹ 10 per 50 km.

The taxi runs 120 km. per day for an average of 25 days in a month. 20% of the total distance has run without any passenger.
