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BACHELOR OF COMMERCE(B.COM)
EXAMINATION – MAY- 2026
FOURTH SEMESTER

Sub.: Introduction to Costing (BCOM23-404C/BCOM24-404C)

Date: 11/05/2026

Total Marks: 60

Time:2.00 pm to 4.30 pm

Instructions: 1) All questions are compulsory. 2) Figures to the right indicate full marks.

Q.1 a) Fill in the blanks (Any 5) (05)

1. LIFO method is suitable in time of _____
 - a) Inflation
 - b) High Prices
 - c) Low prices
 - d) None of this
2. Bin Card is the record of _____ only.
 - a) Quantities
 - b) Quantities and Values
 - c) Values
 - d) None of this
3. ABC analysis is based on the principle known as _____ law.
 - a) Inventory
 - b) Lawrence
 - c) High percentage
 - d) Pareto's
4. Cost accounting is a science, art and _____ of cost accountant
 - a) Commerce
 - b) Practice
 - c) Method
 - d) Profession
5. -----card facilitates the computations of labour cost of the job.
 - a) Job card
 - b) Labour cost card
 - c) Piecework card
 - d) Time cum Job card
6. Cost accounting is a science , art, and -----of cost accountant.
 - a) Practice
 - b) Casting
 - c) Commerce
 - d) Both b and c
7. -----is cost which is not normally incurred at a given level of output.
 - a) Abnormal cost
 - b) Historical cost
 - c) Pre-determined cost
 - d) Normal cost

b) State whether the following statement are true or false (any 5) (05)

1. Supervisors salary is a direct labour cost
2. Ascertainment of cost is the primary objective of cost accounting
3. Rent of building is an overhead cost
4. Factory on cost and factory cost are same
5. When material issued is in excess of requirements, the unused materials are returned to store ledger with a Material Return Note

6. High rate of labour turnover decreases labour cost.
7. Taylor's differential piece rate system does not guarantee a minimum time wages.

Q. 2 a) What is meant by costing? What are the objectives and uses of costing? **(20)**

Or

- b)** From the following particulars prepare a cost sheet showing:
 1) Prime cost 2) Factory cost 3) Cost of production 4) Total cost 5) Profit / loss for the period for six month ended 31st march 2025. Also calculate the percentage of profits earned to sales.

Particulars	Amount
Cost of direct materials	2, 00,000
Sales	4, 00,000
Direct wages	1,00,000
Office indirect materials	5000
Cost of special pattern	40,000
Postage and telegrams	2,000
Factory rent and insurance	5000
Outstanding chargeable expenses	2,000
Carriage outward	2500
Interest on loan	2140
Printing and stationery	500
Factory indirect wages	3000
Selling on cost	4000
Travelling salesman salary	4000
Factory indirect material	4000
Royalties	8000
General works overheads	4000
Bad debts written off	1000

Q. 3 a) Divya Ltd. A manufacturer of dish washer gives the following information in respect of two models namely A and B in the manufacturing process. **(10)**

Normal usage - 400 units per week each

Maximum usage- 600 units per week each

Minimum usage- 200 units per week each

Re-order quantity 'A'- 3200 units

'B' – 4800 units

Re-order period 'A'- 4 to 6 weeks

'B' – 2 to 4 weeks

Calculate for each component:

- a) Re-order level
- b) Maximum stock level
- c) Minimum stock level
- d) Average stock level
- e) Danger Level

b) Write short notes. (Any 2)

(05)

1. Specimen of Purchase Order
2. Specimen of Quotation
3. Specimen of Cost Sheet
4. Objectives of Cost Accounting

Q. 4 a) The receipt and issues of a steel article no 1 for the month of January 2017 were as under

(15)

Date	Particulars	Numbers	Rate (Rs)
	Opening stock	50	1.90
1 January 2025	Receipts	400	2.00
6 January 2025	Receipts	250	2.10
8 January 2025	Issues	300	
10 January 2025	Receipt	400	2.30
15 January 2025	Issues	600	
18 January 2025	Receipts	700	2.20
25 January 2025	Issues	450	
31 January 2025	Issues	220	

The issue were charged on the principles of F.I.F.O. show the stores account as it would appear in stores ledger

OR

b) Distinguish between Financial Accounting and Cost Accounting
