

2026

COST ACCOUNTING - I — MDC

Paper : MDC-2

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. State the differences between Cost Accounting and Financial Accounting. 5
2. The following data are available in respect of material 'PRI' used in production of goods of A & Co. for the year 2025 :

Cost of Materials per unit	₹ 500
Weekly consumption	3000 units
Ordering cost per order	₹ 650
Stock holding cost	2% per month on cost.

Compute : (i) Economic Order Quantity, (ii) Number of order per year. 4+1
3. State whether the following expenses are direct or indirect in nature : 1×5
 - (i) Cost of wooden block for a furniture manufacturer
 - (ii) Cost of nails for a furniture manufacturer
 - (iii) Cost of thread for a book-binder
 - (iv) Municipal Tax paid for a Weaver's workshop
 - (v) Wages paid to a machine operator in a timber factory.
4. At 60% capacity level repair and maintenance expenses in a factory were ₹ 3,00,000 of which 40% was fixed. What will be the amount of repair and maintenance expenses at 80% capacity level? 5

Please Turn Over

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5. From the following information, compute the amount of raw material purchased :

5

Opening Stock of raw materials	₹ 40,000
Closing Stock of raw materials	₹ 60,000
Direct Wages	₹ 4,20,000
Factory Overhead	60% of Direct Wages
Office Overhead	10% of Works Cost
Cost of Production	₹ 13,77,200

Group - B

Answer *any three* questions.

6. From the following information for the month of March, 2025, prepare Store Ledger Account using FIFO method :

10

March, 2025

1	Opening Stock	1000 units @ ₹ 20 per unit
4	Received Materials	500 units @ ₹ 24 per unit
6	Issued	800 units
9	Received	300 units @ ₹ 28 per unit
13	Returned to suppliers	100 units (from the purchases made on 4th March)
15	Issued	500 units
19	Received	600 units @ ₹ 30 per unit
30	Issued	600 units

7. From the following information, calculate the wages of two workers – Mridul and Nayan; and also calculate the works cost of a job performed by them :

10

	<u>Mridul</u>	<u>Nayan</u>
Standard Time (Hours)	120	160
Actual Time taken (Hours)	96	140
Normal Wage Rate per hour (₹)	50	75
Bonus Plan	Halsey	Rowan
Material Cost (₹)	15,800	21,200
Factory Overhead (₹)	150% of Direct Wages	100% of Direct Wages

8. (a) What is idle time?
 (b) How do you classify idle time into normal and abnormal?
 (c) State how each class of such idle time cost is treated in cost accounting. 2+3+5

9. The production department of a factory has furnished the following information :

Cost of materials used	₹ 3,60,000
Labour hours worked	120,000
Direct wages	₹ 3,00,000
Hours of Machine operation	100,000
Overheads chargeable to the departments	₹ 2,40,000

Calculate Overhead Recovery Rates—

- (a) as percentage of Direct Material;
 (b) as percentage of Direct Wages;
 (c) as percentage of Prime Cost;
 (d) Machine Hour Rate;
 (e) Labour Hour Rate. 2+2+2+2+2
10. (a) What do you mean by 'Perpetual Inventory System'?
 (b) What is Cost Centre? How do you distinguish it from Cost Unit? 5+(2+3)

Group - C

Answer *any two* questions.

11. P, Q, R and S have worked 40 hours in a particular week. From the following particulars, calculate the amount of wages payable to the four workers : 15

- (i) Time rate : ₹ 120 per hour
 (ii) Standard output : 30 units per hour
 (iii) Step bonus rates at different efficiency level are as below :

<u>Efficiency</u> (% of Standard)	<u>Bonus</u> (% of time Wages)
60 – 75	2
75 – 85	5
86 – 95	10
96 – 100	15
Above 100	Additional 2% for every 5% increase or part thereof

During the week workers have produced the following units :

P — 960 units, Q — 708 units, R — 1164 units, S — 1344 units.

Please Turn Over

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12. A manufacturing department has three machines. Calculate Machine Hour Rate in respect of three machines from the following information : 15

	Machine-P	Machine-Q	Machine-R
Cost of Machine (₹)	5,00,000	7,00,000	3,00,000
Hours Worked	2000	5000	2000
Direct Wages (₹)	40,000	80,000	60,000
H.P. of Machine	40	20	60
Floor Space (Sq. Ft.)	400	300	200
Light points	20	30	40
No. of workers	5	3	3

The following expenses are incurred by the departments :

	₹
Repairs to machines	45,000
Lighting	18,000
Power	6,000
Depreciation of Machines	1,50,000
Insurance of Machines	1,50,000
Indirect Wages	90,000
Sundries	45,000

13. From the following information relating to production and sales for the year ended 31.03.2025, prepare a statement of cost and profit earned : 15

	(₹)	
Raw Materials Purchased	4,00,000	
Factory Wages	5,40,000	
Factory Expenses	2,88,000	
Administrative Expenses	1,80,000	
Selling and Distribution Expenses	1,80,000	
Sale of Finished Goods (60,000 units)	18,00,000	
Other Balances		
	01.04.2024	31.03.2025
Raw Materials	₹ 50,000	₹ 90,000
WIP	₹ 72,000	₹ 1,08,000
Finished Goods (at works cost)	₹ 2,88,000	?
	(16,000 units)	(20,000 units)