

[Dibrugarh University B.Com 4th Semester]
Cost Accounting Question Paper' 2023
COMMERCE (Honours Core / Regular)
Paper: COM - HC - 4016 / COM - RC - 4026
(Cost Accounting)
Full Marks: 80
Time: Three hours

The figures in the margin indicate full marks for the questions.

Answer **either** in English or in Assamese

1. Answer the following as directed:

1x10=10

- (a) Cost Accounting is a method of measuring cost. (Fill in the blank with appropriate word)
- (b) A sunk cost is an irrecoverable cost. (Fill in the blank with appropriate word)
- (c) Indirect labour is created as part of factory overhead. (Select the correct answer)
- (i) finished goods.
- (ii) work-in-progress.
- (iii) **factory overhead.**
- (iv) product.
- (d) Material is the first element of cost. (State whether the statement is true or false)

Ans:- True.

(e) **FIFO (First-In, First-Out)** method of valuing material issues is suitable in the times of falling price. (Fill in the blank with appropriate word).

(f) Bin card is a part of accounting record. (State whether the statement is true or false)

Ans:- False.

(g) Which of the following is not a part of time-keeping? (Select the correct answer)

(i) Punch card.

(ii) Job card.

(iii) Attendance register.

(iv) **None of the above.**

(h) Depreciation is a semi-variable expenses. (State whether the statement is true or false)

Ans:-- False.

(i) What is process costing?

Ans:- Process costing is a method used to determine the cost of producing a product in continuous or repetitive manufacturing processes, where the product passes through multiple stages or processes before completion.

(j) Write the measuring of 'relevant cost' in costing accounting.

Ans:- The measuring of 'relevant cost' in costing accounting involves considering only those costs that are relevant or pertinent to a particular

decision-making situation. Relevant costs are future costs that will differ among alternatives. They are also avoidable costs, meaning costs that can be eliminated by choosing one alternative over another.

2. Answer the following questions:

2x5=10

(a) What is the concept of cost?

Ans:- The concept of cost refers to the monetary value of resources used or consumed in producing goods or services. It encompasses various elements such as raw materials, labor, overhead expenses, and other inputs involved in the production process.

(b) State the meaning of motion study in labour costing.

Ans:- Motion study in labor costing involves analyzing and optimizing the movements and actions of workers to improve efficiency and productivity in the workplace. It focuses on eliminating unnecessary motions and streamlining workflows to reduce labor costs and enhance overall performance.

(c) State the important features of process costing.

Ans:- The important features of process costing include:

1. Continuous production: Process costing is suitable for industries where production is continuous and homogeneous products are produced in large quantities.

2. Accumulation of costs: Costs are accumulated for each process or department rather than for individual jobs or products.

3. Average cost calculation: Costs are averaged over the units produced during a specific period, making it simpler to determine the cost per unit.

4. Uniformity of products: Process costing is used when products are identical or very similar, making it feasible to allocate costs uniformly across units.

(d) What is operating costing?

Ans:- Operating costing refers to the costing method used to ascertain the cost of operating a service-oriented business or operating a particular service department within an organization. It involves identifying and allocating all costs associated with providing a service, such as transportation, healthcare, or hospitality, to determine the cost per unit of service delivered.

(e) Name from the following the method of costing and cost unit for:

(i) Aircraft.

(ii) Transport.

Ans:- (i) Method of costing and cost unit for Aircraft:

- Method of costing: Job costing or contract costing is typically used for aircraft manufacturing, as each aircraft is custom-built to meet specific requirements.

- Cost unit: The cost unit for aircraft could be based on factors such as the type of aircraft (e.g., commercial airliner, military aircraft), size (e.g., small, medium, large), or specific features and functionalities (e.g., cargo capacity, range).

(ii) Method of costing and cost unit for Transport:

- Method of costing: For transport services, activity-based costing (ABC) or operating costing is commonly used to allocate costs associated with providing transportation services.

- Cost unit: The cost unit for transport services varies depending on the mode of transportation. For example, in the case of a trucking company, the cost unit could be per mile or per ton-mile, while for a passenger airline, it could be per passenger-mile or per flight.

3. Answer any four of the following questions: 5x4=20

(a) Mention five objectives of cost accounting.

Ans:- Following are five objectives of cost accounting:

1. Cost Ascertainment: The primary objective of cost accounting is to determine the cost of products, services, processes, or activities accurately. This involves identifying and measuring all costs associated with production, including direct costs (such as materials and labor) and indirect costs (such as overhead expenses).

2. Cost Control: Cost accounting aims to help management control and reduce costs effectively. By analyzing cost data and performance metrics, organizations can identify areas of inefficiency or waste and take corrective actions to improve cost-effectiveness.

3. Cost Planning and Budgeting: Cost accounting facilitates the process of cost planning and budgeting by providing reliable cost information. It