

CBSE – DEPARTMENT OF SKILL EDUCATION

COST ACCOUNTING (SUBJECT CODE -823)

MARKING SCHEME OF Sample Question Paper

Class XII (Session 2019–2020)

Time: 3 Hours

Max. Marks: 60

General Instructions:

1. *This Question Paper consists of two parts viz. Part A: Employability Skills and Part B: Subject Skills.*
2. **Part A: Employability Skills (10 Marks)**
 - i. *Answer any 4 questions out of the given 6 questions of 1 mark each.*
 - ii. *Answer any 3 questions out of the given 5 questions of 2 marks each.*
3. **Part B: Subject Skills (40 Marks):**
 - i. *Answer any 10 questions out of the given 12 questions of 1 mark each.*
 - ii. *Answer any 5 questions from the given 7 questions of 2 marks each.*
 - iii. *Answer any 5 questions from the given 7 questions of 3 marks each.*
 - iv. *Answer any 3 questions from the given 5 questions of 5 marks each.*
4. *This question paper contains 42 questions out of which 30 questions are to be answered.*
5. *All questions of a particular part/section must be attempted in the correct order.*
6. *The maximum time allowed is 3 hrs.*

PART A: EMPLOYABILITY SKILLS (10 MARKS)

Answer any 4 questions out of the given 6 questions of 1 mark each:

1.	Interpersonal	(1)
2.	Non Verbal	(1)
3.	Slides	(1)
4.	sources of motivation and inspiration are:Books, Activities, Dreaming big etc..	(1)
5.	jobs in water conservation are; Water treatment specialist. Water Auditor Water policy Analyst Water resource planning manager Water Quality Monitoring Water conservation Representative.	(1)
6.	Power point presentation	(1)

Answer any 3 questions out of the given 5 questions of 2 marks each:

7.	Good communication skills helps to improve the productivity.	(2)
8.	Listening skills helps the employees to understand the concept and the instructions provided to them which reduces wastages and improves profitability.	(2)
9.	Self-motivation is important because • It increases individual's energy and activity. • It directs an individual towards specific goals. • It results in initiation and persistence of specific activities, thus keeps him/her active. • It affects cognitive processes and learning strategies used by individual for completing similar tasks.	(2)
10.	A presentation is a systematic display of information. Cost accountant may present a number of slides containing text, graphics, movies, sound, and graphs. Slides of a presentation are displayed one by one on the screen	(2)
11.	Recycling materials helps the environment by reducing wastages and improves the efficiency too. It reduces the cost of production hence increases the profitability.	(2)

PART B: SUBJECT SKILLS (50 MARKS)

Answer any 10 questions out of the given 12 questions:

12.	Prime cost	(1)
13.	Cost of Sales	(1)
14.	Godown Rent	(1)
15.	Job Ticket	(1)
16.	Profit and loss account	(1)
17.	In certain contracts the contractee agrees to pay to the contractor the cost price of the work done on the contract plus an agreed percentage thereof by way of overhead expenses and profit. Such contracts are known as cost-plus contracts.	(1)
18.	Homogeneous	(1)
19.	Expenses	(1)
20.	Production Cost	(1)
21.	Standing Cost	(1)

22.	Cost Accounting	(1)
23.	Credited in Financial P&L account	(1)

Answer any 5 questions out of the given 7 questions of 2 marks each:

24.	<p>Prime Cost = Direct material + Direct labour + Direct expenses</p> <p>(1 Mark)</p> <p>= 12,000 + 5,000 + 2,000</p> <p>= RS 19,000</p> <p>(1 Mark)</p>	(2)						
25.	<p>Cost sheet is a statement that presents the total and per unit cost of production with regard to any cost unit for a specific period of time. It is prepared in a tabular form presenting the various components of cost at various stages. Cost sheet is also a managerial tool to judge the efficiency of production.</p>	(2)						
26.	<p>Any two differences between Job Costing and Process Costing. (1 Mark each)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Job Costing</th> <th style="text-align: center;">Process Costing</th> </tr> </thead> <tbody> <tr> <td>The cost unit in job costing is a job.</td> <td>The cost unit in process costing is a process.</td> </tr> <tr> <td>Each job may be different.</td> <td>Each process for the total output is same.</td> </tr> </tbody> </table>	Job Costing	Process Costing	The cost unit in job costing is a job.	The cost unit in process costing is a process.	Each job may be different.	Each process for the total output is same.	(2)
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27.	<p>(1 Mark each)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Normal Loss</th> <th style="text-align: center;">Abnormal Loss</th> </tr> </thead> <tbody> <tr> <td>It is due to nature of products like pilferage, dryness etc.</td> <td>Abnormal loss can be due to carelessness of the workers like loss by theft, loss by fire etc.</td> </tr> </tbody> </table>	Normal Loss	Abnormal Loss	It is due to nature of products like pilferage, dryness etc.	Abnormal loss can be due to carelessness of the workers like loss by theft, loss by fire etc.	(2)		
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	Normal loss is beyond human control. It can't be avoided.	Abnormal loss can be controlled. This may be due to faulty plant design, carelessness etc.	
28.	“Operating Costing” as that form of costing which applies in case of standardized service offering by an undertaking or by a service cost Centre within that undertaking. The various cost associated with the operations of services for a particular period are ascertained and grouped under appropriate heads.		(2)
29.	Driver of the vehicle is provided with a log book that contains various log sheets. This log sheet provides the cost and other data on daily basis regarding the kilometer run, petrol usage, passenger/goods carried etc.		(2)
30.	Running Cost: These types of cost are incurred based on the running of the vehicle. It varies with the level of operation. Thus, it is variable in nature. Example: Fuel charges, Consumables like oil and grease, driver daily wages etc.		(2)

Answer any 5 questions out of the given 7 questions of 3 marks each:

31.	$\text{Economic Batch Quantity} = \frac{\sqrt{(2 * 9000 * 220)}}{\sqrt{10\% \text{ of } 1250}}$ <p>(1 Mark for formula)</p> <p>⇒ $\sqrt{396000/125}$ (1 Mark)</p> <p>⇒ 177.98 units or 178 units (1 Mark)</p>	(3)
32.	<p>A batch refers to the bunch of identical items of products or components. Batch Costing is defined as “that form of specific order costing which applies where similar articles are manufactured in batches either for sale or for use within the undertaking”.</p> <p>Batch costing is used in Toy industry, shoe manufacturing industry, readymade garment industry, pharmaceutical industry etc.</p>	(3)
33.	<p>Objectives of job costing are as follows:</p> <p>1) It ascertains the cost of each job separately and also indicates the profit or loss made out on its completion.</p>	(3)

	<p>2) It also helps in decision making regarding continuation or discontinuance of job.</p> <p>3) It assists the management in controlling the cost of each job by comparing the actual cost with the estimated cost.</p> <p>4) It provides a basis for determining the cost of similar jobs to be undertaken in future and quoting the appropriate price for the same.</p> <p>Any three valid points required</p>	
34.	<p>Since the contract has been completed in the first year itself hence, no reserve is required.</p> <p>Prime cost=(1,500+500+2,440+294)-240=RS 4,494</p>	(3)
35.	<p>The following are the features of contract costing:</p> <p>1) A contract usually takes more than one year to complete.</p> <p>2) The work on the contract is carried out at the site of the contract.</p> <p>3) Each contract is considered to represent a cost unit.</p> <p>4) A separate contract account is prepared in the books of the contractor for each contract.</p> <p>5) Payments to the contractor by the contractee are made at various stages of completion.</p> <p>Any three valid features required for 1 mark each.</p>	(3)
36.	<p>The system of costing in which each contract is a cost unit and an account is opened for each contract in the books of contractor in order to ascertain profits.</p> <p>Contract costing is used in following areas:</p> <p>a) Building construction</p> <p>b) Road construction</p> <p>c) Bridge construction</p> <p>d) Ship building and</p> <p>e) civil engineering works.</p>	(3)
37.	<p>A statement which is prepared to reconcile cost records and financial records in order to identify the reasons of disagreement between two set of books is called Reconciliation statement.</p> <p>Need for Reconciliation statement:</p> <p>i) Reconciliation of books identifies the reasons for discrepancy between profits disclosed by cost and financial accounts.</p> <p>ii) It helps in knowing the true profit or loss of the business and also facilitates in right decision making.</p> <p>iii) It assists in checking the arithmetical accuracy of costing accounts.</p> <p>iv) It also helps in coordination and promotion of cost accounting and financial accounting departments.</p>	(3)

Answer any 3 questions out of the given 5 questions of 5 marks each:

38.	<p>(A) Purchases during the year 29,000</p> <p>(B) Add: Opening stock of raw material 4,000</p> <p>(C) Less: Closing stock of raw material (5,500)</p> <p>(D) Material Consumed (A+B-C) 27,500 27,500 6.875</p> <p>(E) Manufacturing wages 8,000 2.000</p> <p>(F) Prime Cost (D+E) 35,500 8.875</p> <p>Add: Factory Overheads</p> <p>Depreciation on plant 1,500</p> <p>Factory rent and rates 4,000</p> <p>(G) Total Factory Overheads 5,500</p> <p>(H) Factory/Work Cost (F+G) 41,000</p> <p>Add: Office and Administrative Overheads</p> <p>Office rent 1,000</p> <p>General expenses 1,200</p> <p>(I) Total Office and Administrative Overheads 2,200</p> <p>(J) Cost of Production/Office Cost (H+I) 43,200</p> <p>(K) Add: Opening finished stock 3,900</p> <p>(L) Less: Closing finished stock (10.8*400) (4,320)</p> <p>(M) Cost of Goods Sold (J+K-L) 42,780</p> <p>Add: Selling and Distribution Overheads</p> <p>Sales Discount 1,000</p> <p>Advertising Expenses 5,000</p> <p>(N) Total Selling and Distribution Overheads 6000</p> <p>(O) Total Cost/Cost of Sales (M+N) 48,780</p>	(5)
39.	<p>Sol. In Process I, transfer to process II is RS 36,000 @ RS 1 per unit</p> <p>In Process II, finished goods produced RS 56,250 @ RS 1.5 per unit.</p>	(5)

40.	<p>Following are the major methods of apportioning the joint costs to various joint products:</p> <ol style="list-style-type: none"> 1) Market Price Method 2) Unit Method 3) Reverse Cost method or working backward method 4) Survey Method <p>Valid explanation of any two required.</p>	(5)																																													
41.	<p>Reconciliation statement</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Particulars</th> <th style="width: 20%;">+ Items</th> <th style="width: 20%;">-Items</th> </tr> </thead> <tbody> <tr> <td>Profit as per Costing Account</td> <td style="text-align: right;">70,000</td> <td></td> </tr> <tr> <td>Factory indirect expenses over-absorbed</td> <td style="text-align: right;">1,500</td> <td></td> </tr> <tr> <td>Rent received from own building</td> <td style="text-align: right;">5,500</td> <td></td> </tr> <tr> <td>Dividend received</td> <td style="text-align: right;">1,100</td> <td></td> </tr> <tr> <td>Selling overheads</td> <td></td> <td></td> </tr> <tr> <td>Provision for doubtful debts</td> <td></td> <td style="text-align: right;">1,000</td> </tr> <tr> <td>Director's remuneration</td> <td></td> <td style="text-align: right;">4,000</td> </tr> <tr> <td>Income-tax paid</td> <td style="text-align: right; border-top: 1px solid black;">78,100</td> <td style="text-align: right;">4,000</td> </tr> <tr> <td>Depreciation under-charged</td> <td></td> <td style="text-align: right;">18,500</td> </tr> <tr> <td>Administrative overheads</td> <td style="text-align: right; border-top: 1px solid black;">78,100</td> <td style="text-align: right;">2,800</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">2,900</td> </tr> <tr> <td>Profit as per financial records</td> <td></td> <td style="text-align: right; border-top: 1px solid black;">33,200</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">44,900</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">78,100</td> </tr> </tbody> </table>	Particulars	+ Items	-Items	Profit as per Costing Account	70,000		Factory indirect expenses over-absorbed	1,500		Rent received from own building	5,500		Dividend received	1,100		Selling overheads			Provision for doubtful debts		1,000	Director's remuneration		4,000	Income-tax paid	78,100	4,000	Depreciation under-charged		18,500	Administrative overheads	78,100	2,800			2,900	Profit as per financial records		33,200			44,900			78,100	(5)
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42.	<p>Few items which are purely financial charge, which are only recorded in Cost accounting and few items which are common in both financial records and cost records are as under:</p> <p>Purely financial charge – examples (2 Marks)</p> <ol style="list-style-type: none"> a) Loss on sale of capital assets b) Discount on bonds, debenture etc. c) Loss on investment d) Interest on bank loans and mortgages. 	(5)																																													

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| <ul style="list-style-type: none">e) Fines and penaltiesf) Provision for bad and doubtful debtg) Amount written off, goodwill, discount on debentures, preliminary expensesh) Loss due to theft, pilferage, etc. <p>Items shown only in cost accounts: (2 Marks)</p> <ul style="list-style-type: none">a) Notional rent, i.e., charges on owned premises.b) Notional salariesc) Depreciation on fully depreciated assets still in use. <p>Items shown in both cost accounting and financial accounting: (1 Mark)</p> <ul style="list-style-type: none">a) Depreciation on Plant and Machinery, Depreciation on office equipment etc.b) Factory rent,c) Salary of clerks,d) Salesman Commission etc. | |
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