

# CBSE | DEPARTMENT OF SKILL EDUCATION

## COST ACCOUNTING (SUBJECT CODE 823)

CLASS XII (SESSION 2021-2022)  
MARKING SCHEME OF SQP FOR TERM - II

Max. Time Allowed: 1 ½ Hours (90 min)

Max. Marks: 30

### SECTION A

(3 + 2 = 5 marks)

Answer any 03 questions out of the given 04 questions		1 x 3 = 3
Q.1	Creativity	1
Q.2	Entrepreneurial behavior requires certain knowledge, skills or personality profile is called entrepreneurial competence or traits.	1
Q.3	jobs in water conservation are: Water treatment specialist, Water Auditor, Water policy Analyst, Water resource planning manager, Water Quality Monitoring, Water conservation Representative (Any two)	1
Q.4	True	1
Answer any 01 question out of the given 02 questions		2 X 1 = 2
Q.5	Characteristics of entrepreneurship: 1) It begins with identifying an opportunity as a potential to sell and make profit in the market. 2) It is the ability of an entrepreneur to take risks. Or any other two valid points required	2
Q.6	Two benefits of green jobs in a factory or an industry are: ⇒ increase the efficiency of energy and draw material. ⇒ control waste and pollution. Or any other two valid points required	2

### SECTION B

(5 + 6 + 6 = 17 marks)

Answer any 05 questions out of the given 07 questions		1 x 5 = 5
Q.7	Process	1
Q.8	it's transferred to the finished goods account".	1
Q.9	Each process is Debited and material cost, labour cost, direct expenses and overheads allocated or apportioned to the process is credited	1
Q.10	Operating	1

Q.11	Driver	1
Q.12	Reconciliation Statement	1
Q.13	increases the financial profit.	1
<b>Answer any 03 questions out of the given 05 questions</b>		<b>2 x 3 = 6</b>
Q.14	<p>i) It is due to the nature of products like pilferage, dryness etc.</p> <p>ii) Normal loss is beyond human control. It can't be avoided.</p> <p><b>(1 Mark for each point)</b></p>	2
Q.15	Log sheet is the sheet which provides information about the cost and other data on a daily basis regarding the kilometer run, petrol usage, passenger/goods carried etc. that is provided to the Driver of the vehicle.	2
Q.16	Running Cost: Costs that 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
Q.17	Reconciliation statement is prepared to find out the causes of disagreement between profits shown by cost accounts and financial accounts.	2
Q.18	In financial accounting, stocks are valued at cost or market price (whichever is less) while in cost accounting it is calculated on the basis of FIFO, LIFO methods. This may lead to differences in the amount of profit according to financial accounts and cost accounts.	2
<b>Answer any 02 questions out of the given 04 questions</b>		<b>3 x 2 = 6</b>
Q.19	<p>Following are the principles that are followed in process costing in order to ascertain the cost:</p> <p>(a) All the production activities are classified by processes and each process or department includes a number of operations which are not separately measurable.</p> <p>(b) All the direct and indirect costs that relate to a particular process are debited to that process account.</p> <p>(c) The cost per unit is computed by dividing the total process cost by the number of units produced in that particular process.</p> <p>(d) The operations are in a sequence which is specific and predetermined.</p> <p>(e) In case certain products remain in process at the end of the period, their stage of completion is assessed and the inventory is calculated in terms of completed units.</p> <p>(f) If there is some loss in process which cannot be avoided, then the cost of such loss is borne by the units produced in that department. This leads to an increase in cost per unit.</p> <p>(g) The processing of raw materials leads to the production of several products from the same raw material and such products may be joint products or by-products.</p> <p><b>(Any three)</b></p>	3

Q.20	Process 'A' Account						3
	Dr.			Cr.			
	Particulars	Units	Amount	Particulars	Units	Amount	
	To Raw Material	2000	8000	By Normal Loss A/c	200	500	
	To Direct Wages		13000	By Abnormal Loss A/c	100	1500	
	To Indirect exp.		6500	By transfer to Next Process	1700	25500	
			<u>27500</u>			<u>27500</u>	

  

Q.21	<p>Operating costing is concerned with the ascertainment of operating cost for rendering a unit of service. It is a method of costing for the enterprises producing services rather than tangible commodities.</p> <p>Major Service organizations that use operating costing are: (Any Two)</p> <ol style="list-style-type: none"> <li>1. Transport Companies</li> <li>2. Electricity Companies</li> </ol>	3
Q.22	<p>Purely financial charge – examples <b>(1/2 mark each)</b></p> <ol style="list-style-type: none"> <li>a) Loss on sale of capital assets</li> <li>b) Discount on bonds, debenture etc.</li> <li>c) Loss on investment</li> <li>d) Interest on bank loans and mortgages.</li> <li>e) Fines and penalties</li> <li>f) Provision for bad and doubtful debt</li> <li>g) Amount written off, goodwill, discount on debentures, preliminary expenses</li> <li>h) Loss due to theft, pilferage, etc.</li> </ol> <p><b>(Any six)</b></p>	3

**SECTION C** **(4 x 2 = 8 marks)**  
**(COMPETENCY BASED QUESTIONS)**

Answer any 02 questions out of the given 03 questions		
Q.23	<p><b>Characteristics of Process costing</b></p> <ol style="list-style-type: none"> <li>a) Costs are calculated according to each process and cost per unit is the average cost.</li> <li>b) The cost unit in case of process costing is a process.</li> <li>c) The goods are manufactured for mass order hence no specific order.</li> <li>d) Each process for the total output is the same.</li> <li>e) Less Supervision and Control is required as the work is standardized.</li> </ol> <p><b>(any four)</b></p>	4
Q.24	<p><b>Solution:</b></p> <p>Absolute tonne-km = <math>40 \times 15 + 20 \times 20 + 30 \times 30</math>  <math>= 600 + 400 + 900</math>  <math>= 1900</math> tonne-km <span style="float: right;"><b>(2 Marks)</b></span></p> <p>Commercial tonne-km = Average tonnes X Total distance traveled  <math>= (40+20+30)/3 \times 65</math>  <math>= 1950</math> tonne-km <span style="float: right;"><b>(2 Marks)</b></span></p>	4

**Solution:****Reconciliation statement**

Particulars	+ Items	-Items
Profit as per Costing Account	1,00,000	
Factory indirect expenses over-absorbed		
Rent received from own building	1,500	
Dividend received		
	5,500	1,000
Selling overheads	1,100	4,000
Provision for doubtful debts		4,000
Director's remuneration		18,500
Income-tax paid		2,800
Depreciation under-charged		2,900
Administrative overheads		
		<hr/>
		33,200
Profit as per financial records		74,900
		<hr/>
		1,08,100
	<hr/>	
	1,08,100	
	<hr/>	
	1,08,100	

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