

CBSE | DEPARTMENT OF SKILL EDUCATION

COST ACCOUNTING (SUBJECT CODE: 823)

MARKING SCHEME FOR CLASS XII (SESSION 2022-2023)

Max. Time: 3 Hours

Max. Marks: 60

General Instructions:

1. Please read the instructions carefully.
2. This Question Paper consists of **24 questions** in two sections – Section A & Section B.
3. Section A has Objective type questions whereas Section B contains Subjective type questions.
4. **Out of the given (6 + 18 =) 24 questions, a candidate has to answer (6 + 11 =) 17 questions in the allotted (maximum) time of 3 hours.**
5. All questions of a particular section must be attempted in the correct order.
6. **SECTION A - OBJECTIVE TYPE QUESTIONS (30 MARKS):**
 - i. This section has 06 questions.
 - ii. There is no negative marking.
 - iii. Do as per the instructions given.
 - iv. Marks allotted are mentioned against each question/part.
7. **SECTION B – SUBJECTIVE TYPE QUESTIONS (30 MARKS):**
 - i. This section contains 18 questions.
 - ii. A candidate has to do 11 questions.
 - iii. Do as per the instructions given.
 - iv. Marks allotted are mentioned against each question/part.

SECTION A: OBJECTIVE TYPE QUESTIONS

Q. No.	QUESTION	Source Material (NCERT/PSSCIVE/ CBSE Study Material)	Unit/ Chap. No.	Page no. of source material	Marks
Q. 1	Answer any 4 out of the given 6 questions on Employability Skills (1 x 4 = 4 marks)				
i.	Upset; Annoyed; Hopeless (Any 2)	CBSE Study Material	2	9	1
ii.	b) Balanced	CBSE Study Material	2	10	1
iii.	Ctrl V	CBSE Study Material	3	21	1
iv.	c) workbook	CBSE Study Material	3	14	1
v.	b) Wage employed person	CBSE Study Material	4	42	1
vi.	It is an economic activity done to create, develop and maintain a profit oriented organization.	CBSE Study Material	4	44	1

Q. 2	Answer any 5 out of the given 7 questions (1 x 5 = 5 marks)				
i.	C) Cost of sales	CBSE Material	Study 1	4	1
ii.	<ul style="list-style-type: none"> • Total cost of production • Total quantity of production • Per unit cost of total quantity produced (any two) 	CBSE Material	Study 1	11	1
iii.	Current	CBSE Material	Study 1	12	1
iv.	a) Work cost and office and administrative overheads	CBSE Material	Study 1	04	1
v.	c) Selling and distribution	CBSE Material	Study 1	16	1
vi.	Vertical	CBSE Material	Study 1	16	1
vii.	Job ticket	CBSE Material	Study 2	35	1
Q. 3	Answer any 6 out of the given 7 questions (1 x 6 = 6 marks)				
i.	Job cost card	CBSE Material	Study 2	31	1
ii.	d) It is very tedious task to maintain separate records for each job.	CBSE Material	Study 2	28	1
iii.	a) Bill of materials	CBSE Material	Study 2	31	1
iv.	Batch costing	CBSE Material	Study 2	39	1
v.	b) Contract	CBSE Material	Study 3	47	1
vi.	Direct	CBSE Material	Study 3	48	1
vii.	a) Work certified	CBSE Material	Study 3	50	1
Q. 4	Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)				
i.	The balance of money not paid by contractee is known as retention money.	CBSE Material	Study 3	50	1
ii.	c) Contract	CBSE Material	Study 3	47	1
iii.	b) All the direct and indirect costs that relate to a particular process are credited to that process account.	CBSE Material	Study 4	72	1
iv.	Faulty plant design; carelessness; breakdown of the machinery; accident; use of defective material. (Any 2)	CBSE Material	Study 4	80	1

v.	Process	CBSE Study Material	4	72	1
vi.	a) Normal loss	CBSE Study Material	4	77	1
Q. 5	Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)				
i.	The cost per unit is calculated by dividing total process cost by number of units produced in that particular process.	CBSE Study Material	4	72	1
ii.	c) Finished goods	CBSE Study Material	4	74	1
iii.	a) Electricity companies	CBSE Study Material	5	99	1
iv.	Service	CBSE Study Material	5	98	1
v.	Per kilowatt-hour	CBSE Study Material	5	99	1
vi.	Semi-variable cost is the cost component that comprises both the fixed and variable cost elements.	CBSE Study Material	5	103	1
Q. 6	Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)				
i.	one hour	CBSE Study Material	5	100	1
ii.	d) Debited in financial P/L account	CBSE Study Material	6	119	1
iii.	Reconciliation Statement is prepared to find out the causes of disagreement between profits shown by cost records and financial records.	CBSE Study Material	6	118	1
iv.	a) Profit and Loss appropriation account.	CBSE Study Material	6	120	1
v.	d) Income tax refund	CBSE Study Material	6	120	1
vi.	a) The profit shown by the financial books is higher than the profit as shown by the cost books by this amount.	CBSE Study Material	6	128	1

SECTION B: SUBJECTIVE TYPE QUESTIONS

Q. No.	QUESTION	Source Material (NCERT/PSS CIVE/ CBSE Study Material)	Unit / Chap. No.	Page no. of source material	Marks
Answer any 3 out of the given 5 questions on Employability Skills in 20 – 30 words each (2 x 3 = 6 marks)					

Q. 7	<p>Self-motivation is important because</p> <ul style="list-style-type: none"> ● 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. <p>(Any two reasons)</p>	CBSE Study Material	2	9	2
Q. 8	sources of motivation and inspiration are: Books, Activities, Dreaming big etc. (Any two)	CBSE Study Material	2	10	2
Q. 9	<p>A presentation is a systematic display of information.</p> <p>He/she may present a number of slides containing text, graphics, movies, sound, and graphs. Slides of a presentation can be displayed one by one on the screen in front of management.</p>	CBSE Study Material	3	14	2
Q. 10	Entrepreneurial behavior requires certain knowledge; skills or personality profile is called entrepreneurial competence or traits.	CBSE Study Material	4	44	2
Q. 11	<p>(a) Identifying entrepreneurial opportunity: There are many opportunities in the world of business which are based on human needs like food, fashion, education, etc. as they are constantly changing. An entrepreneur senses the opportunities and keeps eyes and ears open at all times. An entrepreneur, requires imagination, creativity and innovativeness.</p> <p>(b) Turning ideas into action: Entrepreneurs must be capable of turning ideas into reality. They should be able to collect information regarding ideas, products and practices to meet the market demand.</p> <p>(c) Feasibility study: Entrepreneurs conduct studies to assess the market feasibility of a proposed product or service. They prepare blueprint of all activities called 'project report'.</p>	CBSE Study Material	4	45	2
Answer any 3 out of the given 5 questions in 20 – 30 words each (2 x 3 = 6 marks)					
Q. 12	<p>Prime Cost = Direct material + Direct labour + Direct expenses (1 Mark)</p> <p>= 60,000 + 65,000 + 80,000 (1 Mark)</p> <p>= ₹ 2,05,000</p>	CBSE Study Material	1	15	2
Q. 13	<p>Disadvantages of job costing are as follows: (Any two)</p> <p>i) It is too expensive.</p> <p>ii) It is very time consuming.</p> <p>It is very tedious task to maintain separate records for each job.</p>	CBSE Study Material	2	28	2
Q. 14	Timely completion of each job is ensured by preparing progress advice which is prepared by the foreman of each job.	CBSE Study Material	2	36	2

Q. 15	Major industries using process costing are: (Any 2) i) Paper manufacturing industries ii) Sugar industries iii) Soap industries etc.....	CBSE Study Material	4	72	2
Q. 16	Services are intangible in nature as It cannot be touched. (1 Mark) Services have no physical existence like tangible products. (1 Mark)	CBSE Study Material	5	98	2
Answer any 2 out of the given 3 questions in 30– 50 words each (3 x 2 = 6 marks)					
Q. 17	Economic Batch Quantity $= \sqrt{(2 * 4000 * 900) / 10\% \text{ of } 800}$ (1 Mark for formula) $\Rightarrow \sqrt{900000}$ (1 Mark) $\Rightarrow 300$ units (1 Mark)	CBSE Study Material	2	40	3
Q. 18	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. The system of cost plus contract costing is employed in case where it is very difficult for the contractor to quote the contract price because there is no precedent which may be taken as the basis.	CBSE Study Material	3	49	3
Q. 19	An accountant can find out the causes of difference between the profits shown by two sets of books by preparing Reconciliation statement. (1 Mark) The reasons of difference can be any two of followings: (2 Marks) <ul style="list-style-type: none"> ● Items shown only in financial accounts. ● Items shown only in costs accounts. ● Over Absorption and under absorption of overheads. ● Different methods of charging depreciation ● Different methods of stock valuation. ● Abnormal gains and losses. 	CBSE Study Material	6	118-119	3
Answer any 3 out of the given 5 questions in 50– 80 words each (4 x 3 = 12 marks)					
Q. 20	a) Prime Cost: Prime cost is also named as “Direct Cost”, “Flat Cost”, “Basic Cost” or “First Cost”. It is the summation of all direct costs relating to production, i.e. direct material, direct labour and direct expenses. (2 Marks) b) Office Cost: Office Cost is also named as “Cost of Production” or “Administration Cost”. Office cost is the summation of factory or work cost and office & administrative overheads. Any cost related to sales and distribution is not the	CBSE Study Material	1	04	4

	part of office and administrative cost as they form a separate category. This total cost of production is adjusted with the opening and closing stock of finished goods to get the cost of goods sold. (2 Marks)																																		
Q. 21	<p>a) Contract Costing (1 Mark)</p> <p>b) (Any two out of four)</p> <ul style="list-style-type: none"> • Building construction • Road construction • Bridge construction • Ship building (1 Mark) <p>c) (Any four)</p> <ul style="list-style-type: none"> • The size of the job is generally large • Each contract is considered to represent a cost unit • The work on the contract is carried out at the site of the contract • Generally, the expenses are direct in nature • Payment are to be made at various stages of completion to the contractor <p>(2 Marks)</p>	CBSE Study Material	3	47-48	4																														
Q. 22	<p style="text-align: center;">Format 1 Mark ½ Mark for each</p> <p>item Dr. Process 'X' Account Cr.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Particulars</th> <th>Units</th> <th>Amount (RS)</th> <th>Particulars</th> <th>Units</th> <th>Amount (RS)</th> </tr> </thead> <tbody> <tr> <td>To Raw Material</td> <td>10000</td> <td>80000</td> <td>By Normal Loss A/c</td> <td>1000</td> <td>10000</td> </tr> <tr> <td>To Direct Wages</td> <td>10000</td> <td>40000</td> <td>By Abnormal Loss A/c</td> <td>1000</td> <td>10000</td> </tr> <tr> <td>To Indirect exp.</td> <td></td> <td>10000</td> <td>By transfer to Next Processes</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Particulars	Units	Amount (RS)	Particulars	Units	Amount (RS)	To Raw Material	10000	80000	By Normal Loss A/c	1000	10000	To Direct Wages	10000	40000	By Abnormal Loss A/c	1000	10000	To Indirect exp.		10000	By transfer to Next Processes									CBSE Study Material	4	82	4
Particulars	Units	Amount (RS)	Particulars	Units	Amount (RS)																														
To Raw Material	10000	80000	By Normal Loss A/c	1000	10000																														
To Direct Wages	10000	40000	By Abnormal Loss A/c	1000	10000																														
To Indirect exp.		10000	By transfer to Next Processes																																

Q. 23	<p>Yes, Educational institutions use operating costing. 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 and educational institutions render services.</p> <p>(2 Marks) Major Service organizations that use operating costing are: (Any Two)</p> <ol style="list-style-type: none"> 1. Transport Companies 2. Electricity Companies 3. Hospitals 4. Canteens/Catering Businesses 5. Hotels etc... <p style="text-align: right;">(2 Marks)</p>	CBSE Study Material	5	99	4																																													
Q. 24	<p style="text-align: center;">Reconciliation statement For the year ended March 31, 2022</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;">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;">2,75,000</td> <td></td> </tr> <tr> <td>Factory indirect expenses over-absorbed</td> <td style="text-align: right;">10,000</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;">11,000</td> <td></td> </tr> <tr> <td>Selling overheads</td> <td></td> <td style="text-align: right;">10,000</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">4,000</td> </tr> <tr> <td>Provision for doubtful debts</td> <td></td> <td style="text-align: right;">4,000</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">20,000</td> </tr> <tr> <td>Director's remuneration</td> <td></td> <td style="text-align: right;">3,000</td> </tr> <tr> <td>Income-tax paid</td> <td></td> <td style="text-align: right;">21,000</td> </tr> <tr> <td>Depreciation under-charged</td> <td></td> <td style="text-align: right;">62,000</td> </tr> <tr> <td>Administrative overheads</td> <td></td> <td style="text-align: right;">2,39,500</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">3,01,500</td> </tr> <tr> <td>Profit as per financial records</td> <td style="text-align: right; border-top: 1px solid black;">3,01,500</td> <td></td> </tr> </tbody> </table>	Particulars	+ Items	-Items	Profit as per Costing Account	2,75,000		Factory indirect expenses over-absorbed	10,000		Rent received from own building	5,500		Dividend received	11,000		Selling overheads		10,000			4,000	Provision for doubtful debts		4,000			20,000	Director's remuneration		3,000	Income-tax paid		21,000	Depreciation under-charged		62,000	Administrative overheads		2,39,500			3,01,500	Profit as per financial records	3,01,500		CBSE Study Material	6	124	4
Particulars	+ Items	-Items																																																
Profit as per Costing Account	2,75,000																																																	
Factory indirect expenses over-absorbed	10,000																																																	
Rent received from own building	5,500																																																	
Dividend received	11,000																																																	
Selling overheads		10,000																																																
		4,000																																																
Provision for doubtful debts		4,000																																																
		20,000																																																
Director's remuneration		3,000																																																
Income-tax paid		21,000																																																
Depreciation under-charged		62,000																																																
Administrative overheads		2,39,500																																																
		3,01,500																																																
Profit as per financial records	3,01,500																																																	