

CA Inter Costing - May 2026 Question Paper Analysis

PART I - MCQ Section (30 Marks)

Case Scenario I - Safety First Tyre Company (Machine Hour Rate)

Question No.	Chapter / Topic	Marks	Difficulty Level
MCQ 1	Overheads - Machine Hour Rate (without AI system, company as whole)	2	Medium
MCQ 2	Overheads - Machine Hour Rate (individual jobs B, E, V without AI)	2	Hard
MCQ 3	Overheads - Amount of overheads per month without AI system	2	Medium
MCQ 4	Overheads - Amount of overheads per month with AI system	2	Medium
MCQ 5	Overheads - Machine Hour Rate (with AI system, company as whole)	2	Hard

Standalone MCQs

Question No.	Chapter / Topic	Marks	Difficulty Level
MCQ 6	Service Costing - Cost per Passenger Kilometre (AMC Travels - Bus)	2	Easy
MCQ 7	Marginal Costing - Break Even Sales Value (from two year data)	2	Medium
MCQ 8	Material - Re-Order Quantity (ROQ) Computation	2	Easy
MCQ 9	Labour - Wage Rate per Hour (Worker G)	2	Easy
MCQ 10	Job Costing - Selling Price of Job No. 501	2	Medium

Case Scenario II - Graphite Core Industries (Process Costing)

Question No.	Chapter / Topic	Marks	Difficulty Level
MCQ 11	Process Costing - Transfer Price from Casing & Shaping to Finished Stock	2	Hard
MCQ 12	Process Costing - Total Profit transferred to Costing P&L Account	2	Hard
MCQ 13	Process Costing - Profit of Core Manufacturing Process	2	Medium

MCQ 14	Process Costing - Prime Cost (including Inter Process Profit) of Casing & Shaping	2	Hard
MCQ 15	Process Costing - Profit included in Closing Stock of Casing & Shaping	2	Hard

PART II - Descriptive Section (70 Marks)

Question No.	Chapter / Topic	Marks	Difficulty Level
Q1(a)	Batch Costing - Total Cost of Batch and Selling Price per Chair (XYZ Ltd - Ergonomic Chairs Batch A-01)	5	Easy
Q1(b)	Standard Costing - Material Variances (Price, Usage, Cost) and Labour Variances (Rate, Efficiency) - EXA Ltd	5	Medium
Q1(c)	Cost Reconciliation Statement - Reconciling Cost Accounts profit with Financial Accounts profit	4	Medium
Q2(a)	Cost Statement - Cotton Yarn (Prime Cost, Works Cost, Cost of Production, Cost of Sales, Profit) including scrap	7	Medium
Q2(b)	Marginal Costing - Break Even Point, Cash BEP, Sales Value, Capacity Utilisation, Margin of Safety (PQR Ltd with Semi Variable Cost)	7	Hard
Q3(a)	Joint Products and By-Products - Joint Cost Apportionment (Sales Value at Split-off) + Advise on Further Processing of Product A into A-Prime	8	Hard
Q3(b)	Standard Costing - Fixed Overhead Variances (Expenditure, Volume, Calendar, Cost Variance) - Alpha Ltd	6	Hard
Q4(a)	Budgeting - Sales Budget for 2026-27 and Statement of Budgeted vs Actual Sales 2025-26 (ZED Ltd - Two Products, Two Channels)	9	Hard
Q4(b)	Labour - Labour Turnover Rate (Flux, Replacement, Separation Method) - Average Workers, Recruited, Left	5	Medium
Q5(a)	Activity Based Costing (ABC) vs Absorption Costing - Total Sales and Profit for Mini and Maxi products (XYZ Pvt Ltd)	10	Hard
Q5(b)	Marginal Costing - Profit, P/V Ratio, Break Even Sales Value, Fixed Cost (CMC Ltd - from given	4	Medium

	Margin of Safety and Break Even data)		
Q6(a)	Inventory Management - JIT System (Demand Pull / Pull Through) - Explain and Two Principles	5	Easy
Q6(b)	Cost Control vs Cost Reduction - Distinguish	5	Easy
Q6(c)	Labour - Bio-Metric Attendance System features OR Spoiled Work and Defective Work treatment	4	Easy

Chapter-wise Weightage Summary

Chapter / Topic	Total Marks	Weightage (%)
Overheads and Machine Hour Rate	10	10%
Process Costing (including Inter Process Profit)	10	10%
Marginal Costing (BEP, P/V Ratio, MOS, Cash BEP)	11	11%
Standard Costing (Material, Labour, Fixed Overhead Variances)	11	11%
Activity Based Costing (ABC) vs Absorption Costing	10	10%
Budgeting (Sales Budget, Actual vs Budgeted Sales)	9	9%
Joint Products - Apportionment and Further Processing Decision	8	8%
Cost Statement (Cost Sheet)	7	7%