PYQ RTP COMPILER

Chp 7 Cost Acc System

Costing CA Intermediate Regular Batch May / Sep 2025

CA PRANAV POPAT

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Past Year Questions (PYQs)

May 2018 to Jan 2025

PYQ Analysis

Exam	Q No.	Marks	Requirement	Special Points
2025 - Jan	5b	5m	Journalise under Integrated	Regular
2025 - Jan	6a	5m	Steps of Reconcillation, Circumstances to avoid	Theory
2024 - Sep	1b	5m	Reconcillation Statement and profit as per cost accounts	Regular
2024 - May	3b	7m	Reconcillation Statement	Taking Costing Accounts as Base
2023 - Nov	5c	4m	Journal Entries	Basic Easy
2023 - May	5b	5m	Under and Over Recovery and their effects on cost accounting profit	New Requirement but Easy
2022 - Nov	5b	5m	Reconciliation Statement Profit as per Cost	Basic Easy
2022 - Nov	6b	5m	Whether to show in Cost or Finance	Theory
2022 - May	4c	5m	Journal Entries	Entries of under/ over absorption
2021 - Dec	4b	5m	Reconciliation Statement Profit as per Finance	Very Easy with less data
2021 - Jul	3a	10m	Cost Sheet and PL as per Financial Record and Reco	Notional Rent Point

PYQ Analysis

Exam	Q No.	Marks	Requirement	Special Points
2020 - Nov	6c	5m	Theory	Theory
2019 - Nov	6b	5m	Journal Entries	S&D recovered from Sales, rest are very easy
2019 - May	1d	5m	Memorandum Reconciliation Account	Basic Easy
2019 - May	6c	5m	Theory	Theory
2018 - Nov	4a	10m	Ledger	Entries to complete GLA Account
2018 - May	1d	5m	Memorandum Reconciliation Account	Taking Costing Loss as Base

PYQ Jan 2025 – Q5b

(b) Journalise the following transactions assuming that cost and financial accounts are integrated : 4

Particulars	Amount (in ₹)
Wages paid (20% indirect)	2,00,000
Selling and Distribution Overheads incurred	50,000
Deficiency found in stock of Raw Material (Normal)	80,000
Factory Overheads (Under Absorbed)	60,000

PYQ Jan 2025 – Q5b

		Dr.	Cr.
i)	Wages control A/c Dr.	200,000	
	To Bank A/c		2,00,000
	WIP control A/c Dr.	160,000	
	Factory overheads control A/c Dr.	40,000	
	To wages control A/c		200,000
ii)	Selling and distribution Overheads A/c Dr.	50,000	
	To Bank A/c		50,000
iii)	Factory overheads control A/c Dr.	80,000	
	To store ledger control A/c		80,000
iv)	Costing P&L A/c Dr.	60,000	
	To factory Overheads control A/c		60,000

PYQ Sep 2024 – Q1b

(b) *XYZ Ltd. declared a net profit of ₹2,25,000 based on their financial accounts for the year ending 31st March, 2024. The profit disclosed in cost books are not matched with financial accounts. The following information were revealed during the scrutiny of the figures of both the sets of books:*

Sr. No.	Particulars	₹
1.	Preliminary expenses written off in financial accounts	35,000
2.	Factory Overheads Over charged in cost accounts	20,000
3.	Expenses on issue of shares in financial accounts	30,000
4.	Undervaluation of closing stock in cost accounts	65,000
5.	Interest on Bank Deposits in financial accounts	60,000
6.	Under recovery of administration overheads in cost accounts	25,000
7.	Notional Rent of own premises charged in cost accounts	30,000
8.	Under recovery of selling overheads in cost accounts	35,000
9.	Bad debts recovered in financial accounts	50,000

Required:

Prepare Reconciliation Statement to arrive at net profit/loss as per Cost Accounts. ***(5 Marks)***

PYQ Sep 2024 – Q1b

(b) **Reconciliation Statement**

	(₹)	(₹)
Profit (loss) as per Financial Accounts		2,25,000
Add:		
Preliminary expenses written off	35,000	
Expenses on issue of shares in financial accounts	30,000	
Under recovery of administration overheads in cost accounts	25,000	
Under recovery of selling overheads in cost accounts	35,000	
		1,25,000
Less:		
Factory Overheads Over charged in cost accounts	20,000	
Undervaluation of closing stock in cost accounts	65,000	
Interest on Bank Deposits	60,000	
Notional Rent of own premises charged in cost accounts	30,000	
Bad debts recovered in financial accounts	50,000	
		(2,25,000)
Net Profit as per Cost Accounts		**1,25,000**

PYQ May 2024 – Q3b

(b) *S.K. Manufacturing Co. Ltd. showed a net profit of ₹5,40,400 as per their cost accounts for the year ended 31.03.2004. However, the financial books disclosed a net profit of ₹ 2,60,500 for the same period. The following information was revealed as a result of scrutiny of the figures of both the sets of books:*

	₹
Factory overheads under absorbed	*84,800*
Administrative overheads over absorbed	*24,000*
Interest paid on bank borrowings	*50,000*
Interest & Divided received	*65,200*
Notional rent of own premises charged in cost accounts	*60,000*
Losses on the sales of fixed assets and investments	*48,000*

PYQ May 2024 – Q3b

Donations and subscriptions	*18,800*
Overvaluation of closing stock of finished goods in Cost accounts	*1,25,000*
Store adjustments (credited in financial books)	*7,500*
Depreciation over charged in cost accounts	*40,000*
Income tax provided	*1,50,000*

You are required to:

(i) Prepare a reconciliation statement taking net profit as per cost accounts as base.

(ii) State when is the reconciliation statement of Cost and Financial accounts not required?

PYQ May 2024 – Q3b

(b) (i) Statement of Reconciliation of profit as obtained under Cost and Financial Accounts

		(₹)	(₹)
	Profit as per Cost Records		**5,40,400**
Add:	Administrative Overhead over absorbed	24,000	
	Interest & Dividend Received	65,200	
	Notional rent of own premises	60,000	
	Stores adjustments (credited in financial books)	7,500	
	Depreciation over charged in cost accounts	40,000	1,96,700
			7,37,100

PYQ May 2024 – Q3b

Less:	Factory overheads under absorbed	84,800	
	Interest paid on bank borrowings	50,000	
	Losses on sale of fixed assets and investments	48,000	
	Donations and subscriptions	18,800	
	Over-valuation of closing stock of finished goods in cost accounts	1,25,000	
	Income tax	1,50,000	(4,76,600)
	Profit as per Financial Records		**2,60,500**

(ii) Circumstances where reconciliation statement can be avoided: When the Cost and Financial Accounts are integrated - there is no need to have a separate reconciliation statement between the two sets of accounts. Integration means that the same set of accounts fulfil the requirement of both i.e., Cost and Financial Accounts.

PYQ Nov 2023 – Q5c

(c) *Construct journal entries in the following situations assuming that cost and financial transactions are integrated:*

(i)	*Purchase of raw material*	*₹ 4,40,000*
(ii)	*Direct Material issued to production*	*₹ 3,60,000*
(iii)	*Wages charged to production*	*₹ 80,000*
(iv)	*Manufacturing overheads charged to production*	*₹ 1,32,000*

(4 Marks)

PYQ Nov 2023 – Q5c

(c) **Journal entries are as follows**

	DR. (₹)	Cr. (₹)
Stores Ledger Control A/c Dr. To Payables (Creditors)/ Bank A/c (Materials purchased)	4,40,000	4,40,000
Work-in-Process Control A/c Dr. To Stores Ledger Control A/c (Materials issued to production)	3,60,000	3,60,000
Work-in-Process Control A/c Dr. To Wages Control A/c (Direct wages charged to production)	80,000	80,000
Work-in-Process Control A/c Dr. To Factory Overhead Control A/c (Manufacturing overhead charged to production)	1,32,000	1,32,000

PYQ May 2023 – 5b

(b) *The following information has been obtained from financial accounting and cost accounting records.*

	Financial Accounting ₹	Cost Accounting ₹
(i) Factory Overhead	94,750	90,000
(ii) Administrative Overhead	60,000	57,000
(iii) Selling Overhead	55,000	61,000
(iv) Opening Stock	17,500	22,500
(v) Closing Stock	12,500	15,000

Required:

Indicate under-recovery and over-recovery and their effects on cost accounting profit.

[Note: You are not required to prepare reconciliation statement.] ***(5 Marks)***

PYQ May 2023 – 5b

(b)

	Financial Accounting ₹	Cost Accounting ₹	Difference ₹	Under/Over-recovery	Effect on Cost Accounting Profit	Net Effect* on Cost Accounting Profit
(i) Factory Overhead	94,750	90,000	4,750	Under-recovery	Increased	To be reduced/ deducted
(ii) Administrative Overhead	60,000	57,000	3,000	Under-recovery	Increased	To be reduced/ deducted
(iii) Selling Overhead	55,000	61,500	-6,500	Over-recovery	Decreased	To be added
(iv) Opening Stock	17,500	22,500	-5,000	Over valuation	Decreased	To be added
(v) Closing Stock	12,500	15,000	-2,500	Over valuation	Increased	To be reduced/ deducted

*Taking Cost Accounting Profit as base

(Under recovery and over recovery with effect are answered by the candidate, or if under recovery and over recovery with treatment (net effect) are answered, due credit shall be given in both cases)

PYQ Nov 2022 – Que 5b

(b) *X Ltd. follows Non-Integrated Accounting System. Financial Accounts of the company show a Net Profit of ₹ 5,50,000 for the year ended 31st March, 2022. The chief accountant of the company has provided following information from the Financial Accounts and Cost Accounts:*

Sr. No	**Particulars**	**(₹)**
(i)	*Legal Chargers Provided in Financial accounts*	15,250
(ii)	*Interim Dividend received credited in financial accounts*	4,50,000
(iii)	*Preliminary Expenses written off in financial accounts*	25,750
(iv)	*Over recovery of selling overheads in cost accounts*	11,380
(v)	*Profit on sale of capital asset credited in financial accounts*	30,000
(vi)	*Under valuation of closing stock in cost accounts*	25,000
(vii)	*Over recovery of production overheads in cost accounts*	10,200
(viii)	*Interest paid on Debentures shown in financial accounts*	50,000

Required:

Find out the Profit (Loss) as per Cost Accounts by preparing a Reconciliation Statement.

PYQ Nov 2022 – Que 5b

(b) **Reconciliation Statement**

(Reconciliation the profit as per financial records with the profit as per costing records)

	Particulars	**(₹)**	**Total (₹)**
	Profit as per Financial Accounts		5,50,000
Add:	Legal Charges	15,250	
	Preliminary expenses written off	25,750	
	Interest paid	50,000	91,000
			6,41,000
Less:	Under-valuation of closing stock in cost book	25,000	
	Interim Dividend Received	4,50,000	
	Over recovery of selling overheads in cost accounts	11,380	
	Over recovery of production overhead in cost accounts	10,200	5,26,580
	Profit on sale of Assets	30,000	
	Profit as per Cost Accounts		1,14,420

PYQ May 2022 – Que 4c

(c) *Journalize the following transactions assuming the cost and financial accounts are integrated:*

Particulars	*Amount (₹)*
Direct Materials issued to production	*₹ 5,88,000*
Allocation of Wages (Indirect)	*₹ 7,50,000*
Factory Overheads (Over absorbed)	*₹ 2,25,000*
Administrative Overheads (Under absorbed)	*₹ 1,55,000*
Deficiency found in stock of Raw material (Normal)	*₹ 2,00,000*

PYQ May 2022 – Que 4c

	Particulars		(₹)	(₹)
(i)	Work-in-Progress Ledger Control A/c	Dr.	5,88,000	
	To Stores Ledger Control A/c			5,88,000
	(Being issue of direct materials to production)			
(ii)	Factory Overhead control A/c	Dr.	7,50,000	
	To Wages Control A/c			7,50,000
	(Being allocation of Indirect wages)			
(iii)	Factory Overhead Control A/c	Dr.	2,25,000	
	To Costing Profit & Loss A/c			2,25,000
	(Being transfer of over absorption of Factory overhead)			
(iv)	Costing Profit & Loss A/c	Dr.	1,55,000	
	To Administration Overhead Control A/c			1,55,000
	(Being transfer of under absorption of Administration overhead)			
(v)	Factory Overhead Control A/c	Dr.	2,00,000	
	To Stores Ledger Control A/c			2,00,000
	(Being transfer of deficiency in stock of raw material)			

PYQ Dec 2021 – Que 4b

(b) *R Ltd. showed a Net Profit of ₹ 3,60,740 as per their cost accounts for the year ended 31st March, 2021.*

The following information was revealed as a result of scrutiny of the figures from the both sets of accounts:

Sr. No.	Particulars	(₹)
i.	Over recovery of selling overheads in cost accounts	10,250
ii.	Over valuation of closing stock in cost accounts	7,300
iii.	Rent received credited in financial accounts	5,450
iv.	Bad debts provided in financial accounts	3,250
v.	Income tax provided in financial accounts	15,900
vi.	Loss on sale of capital asset debited in financial accounts	5,800
vii.	Under recovery of administration overheads in cost accounts	3,600

Required:

Prepare a reconciliation statement showing the profit as per financial records. ***(5 Marks)***

PYQ Dec 2021 – Que 4b

(b) Statement of Reconciliation

(Reconciling the profit as per costing records with the profit as per financial records)

	(₹)	(₹)
Net Profit as per Cost Accounts		3,60,740
Add:		
Over recovery of selling overheads in cost accounts	10,250	
Rent received credited in financial accounts	5,450	15,700
		376,440
Less:		
Over valuation of closing stock in cost accounts	7,300	
Bad debts provided in financial accounts	3,250	
Income tax provided in financial accounts	15,900	
Loss on sale of capital asset debited in financial accounts	5,800	
Under recovery of administration overheads in cost accounts	3,600	35,850
Profit as per Financial Accounts		3,40,590

PYQ Jul 2021 – Que 3a

(a) *The Profit and Loss account of ABC Ltd. for the year ended 31st March, 2021 is given below:*

Profit and Loss account

(for the year ended 31st March, 2021)

To Direct Material	6,50,000	By Sales (15000 units)	15,00,000
To Direct Wages	3,50,000	By Dividend received	9,000
To Factory overheads	2,60,000		
To Administrative overheads	1,05,000		
To Selling overheads	85,000		
To Loss on sale of investments	2,000		
To Net Profit	57,000		
	15,09,000		15,09,000

PYQ Jul 2021 – Que 3a

- *Factory overheads are 50% fixed and 50% variable.*
- *Administrative overheads are 100% fixed.*
- *Selling overheads are completely variable.*
- *Normal production capacity of ABC Ltd. is 20,000 units.*
- *Indirect Expenses are absorbed in the cost accounts on the basis of normal production capacity.*
- *Notional rent of own premises charged in Cost Accounts is amounting to ₹ 12,000.*

You are required to:

(i) Prepare a Cost Sheet and ascertain the Profit as per Cost Records for the year ended 31st March, 2021.

(ii) Reconcile the Profit as per Financial Records with Profit as per Cost Records.

(10 Marks)

PYQ Jul 2021 – Que 3a

(a) (i) **Cost Sheet**

(for the year ended 31st March, 2021)

	(₹)	(₹)
Direct material		6,50,000
Direct wages		3,50,000
Prime cost		**10,00,000**
Factory Overheads:		
Variable (50% of ₹ 2,60,000)	1,30,000	
Fixed (₹ 1,30,000 × 15,000/20,000)	97,500	2,27,500
Works cost		**12,27,500**
Administrative Overheads (₹ 1,05,000 × 15,000/20,000)		78,750
Notional Rent		12,000
Cost of production		**13,18,250**
Selling Overheads		85,000
Cost of Sales		**14,03,250**
Profit (Balancing figure)		96,750
Sales revenue		**15,00,000**

PYQ Jul 2021 – Que 3a

(ii) Statement of Reconciliation

(Reconciling profit shown by Financial and Cost Accounts)

	(₹)	**(₹)**
Profit as per Cost Account		96,750
Add: Dividend received	9,000	
Add: Notional Rent	12,000	21,000
Less: Factory Overheads under-charged in Cost Accounts (₹ 2,60,000 – ₹ 2,27,500)	32,500	
Less: Administrative expenses under-charged in Cost Accounts (₹ 1,05,000 – ₹ 78,750)	26,250	
Less: Loss on sale of Investments	2,000	(60,750)
Profit as per Financial Accounts		**57,000**

(Note: Solution can be done considering base profit as per Financial Accounts)

PYQ Nov 2019 – Que 6b

(b) *Journalise the following transactions in cost books under Non-Integrated system of Accounting.*

(i)	*Credit Purchase of Material*	*₹ 27,000*
(ii)	*Manufacturing overhead charged to Production*	*₹ 6,000*
(iii)	*Selling and Distribution overheads recovered from Sales*	*₹ 4,000*
(iv)	*Indirect wages incurred*	*₹ 8,000*
(v)	*Material returned from production to stores*	*₹ 9,000*

PYQ Nov 2019 – Que 6b

(b) Journal entries are as follows:

			Dr. (₹)	Cr. (₹)
(i)	Stores Ledger Control A/c........................	Dr.	27,000	
	To Cost Ledger Control A/c			27,000
(ii)	Work-in-Process Control A/c.........................	Dr.	6,000	
	To Manufacturing Overhead Control A/c			6,000
(iii)	Cost of Sales A/c....................................	Dr.	4,000	
	To Selling & Dist. Overhead Control A/c			4,000
(iv)	(1) Wage Control A/c........................	Dr.	8,000	
	To Cost Ledger Control A/c			8,000
	(2) Manufacturing Overhead Control A/c.........	Dr.	8,000	
	To Wages Control A/c			8,000
	OR			
	Manufacturing Overhead Control A/c...............	Dr.	8,000	
	To Cost Ledger Control A/c			8,000
(v)	Stores Ledger Control A/c	Dr.	9,000	
	To Work-in-Process Control A/c			9,000

*Cost Ledger Control A/c is also known as General Ledger Control A/c

PYQ May 2019 – Que 1d

(d) *M/s Abid Private Limited disclosed a net profit of ₹ 48,408 as per cost books for the year ending 31st March 2019. However, financial accounts disclosed net loss of ₹ 15,000 for the same period. On scrutinizing both the set of books of accounts, the following information was revealed:*

Works Overheads under-recovered in Cost Books	*48,600*
Office Overheads over-recovered in Cost Books	*11,500*
Dividend received on Shares	*17,475*
Interest on Fixed Deposits	*21,650*
Provision for doubtful debts	*17,800*
Obsolescence loss not charged in Cost Accounts	*17,200*
Stores adjustments (debited in Financial Accounts)	*35,433*
Depreciation charged in financial accounts	*30,000*
Depreciation recovered in Cost Books	*35,000*

Prepare a Memorandum Reconciliation Account.

PYQ May 2019 – Que 1d

(d) **Memorandum Reconciliation Account**

Dr. Cr.

Particulars	(₹)	Particulars	(₹)
To Works overheads under recovered in Cost Accounts	48,600	By Net profit as per Costing books	48,408
To Provision for doubtful debts	17,800	By Office overheads over recovered in cost accounts	11,500
To Obsolescence loss	17,200	By Dividend received on shares	17,475
To Store adjustment (Debit)	35,433	By Interest on fixed deposit	21,650
		By Depreciation over-charged	5,000
		By Net loss as per financial accounts	15,000
	1,19,033		1,19,033

[Note: This question may also be solved by taking net loss as per financial accounts as basis.]

PYQ Nov 2018 – 4a

(a) *The following balances were extracted from a Company's ledger as on 30th June, 2018:*

Particulars	**Debit (₹)**	**Credit (₹)**
Raw material control a/c	2,82,450	
Work-in-progress control a/c	2,38,300	
Finished stock control a/c	3,92,500	
General ledger adjustment a/c		9,13,250
Total	**9,13,250**	**9,13,250**

The following transactions took place during the quarter ended 30th September, 2018:

		₹
(i)	Factory overheads - allocated to work-in-progress	1,36,350

PYQ Nov 2018 – 4a

(ii)	*Goods furnished - at cost*	*13,76,200*
(iii)	*Raw materials purchased*	*12,43,810*
(iv)	*Direct wages - allocated to work-in-progress*	*2,56,800*
(v)	*Cost of goods sold*	*14,56,500*
(vi)	*Raw materials - issued to production*	*13,60,430*
(vii)	*Raw materials - credited by suppliers*	*27,200*
(viii)	*Raw materials losses - inventory audit*	*6,000*
(ix)	*Work-in-progress rejected (with no scrap value)*	*12,300*
(x)	*Customer's returns (at cost) of finished goods*	*45,900*

You are required to prepare:

(i) Raw material control a/c

(ii) Work-in-progress control a/c

(iii) Finished stock control a/c

(iv) General ledger adjustment a/c **(10 Marks)**

PYQ Nov 2018 – 4a

(a) (i) Raw Material Control A/c

	(₹)		(₹)
To Balance b/d	2,82,450	By General Ledger Adjustment A/c	27,200
" General Ledger Adjustment A/c	12,43,810	" Work-in-progress Control A/c	13,60,430
		" Costing P&L A/c (Loss) (OR GLA)	6,000
		" Balance c/d	1,32,630
	15,26,260		15,26,260

(ii) Work-in-Progress Control A/c

	(₹)		(₹)
To Balance b/d	2,38,300		
" Raw Material Control A/c	13,60,430	" Finished Goods Control A/c	13,76,200
" Wages Control A/c	2,56,800	Costing P&L A/c (OR GLA)	12,300
" Factory OH Control A/c	1,36,350	" Balance c/d	6,03,380
	19,91,880		19,91,880

PYQ Nov 2018 – 4a

(iii) Finished Goods Control A/c

	(₹)		(₹)
To Balance b/d	3,92,500	By Cost of goods sold A/c (OR GLA)	14,56,500
General Ledger Adjustment A/c	45,900		
" Work-in-process Control A/c	13,76,200	" Balance c/d	3,58,100
	18,14,600		18,14,600

(iv) General Ledger Adjustment A/c

	(₹)		(₹)
To Costing P&L A/c (sales) (Balancing figure)	25,68,910	By Balance b/d	9,13,250
" Raw Material Control A/c	27,200	" Raw Material Control A/c	12,43,810
		" Wages Control A/c	2,56,800
		" Factory OH Control A/c	1,36,350
		" Finished Goods Control A/c	45,900
	25,96,110		25,96,110

PYQ Nov 2018 – 4a

OR

General ledger adjustment account

		(₹)			(₹)
To	Raw Material Control A/c	27,200	By	Balance b/d	9,13,250
"	Raw Material control account(loss)	6,000	"	Raw Material Control A/c	12,43,810
"	WIP control Account (rejection)	12,300	"	Wages Control A/c	2,56,800
"	Finished stock Control Account	14,56,500	"	Factory OH Control A/c	1,36,350
""	Balance c/d	10,94,110	"	Finished Goods Control A/c	45,900
		25,96,110			25,96,110

Working:

Factory Overhead Control A/c

		(₹)			(₹)
To	General Ledger Adjustment A/c	1,36,350	By	Work-in-progress A/c	1,36,350
		1,36,350			1,36,350

PYQ Nov 2018 – 4a

OR

General ledger adjustment account

		(₹)			(₹)
To	Raw Material Control A/c	27,200	By	Balance b/d	9,13,250
"	Raw Material control account(loss)	6,000	"	Raw Material Control A/c	12,43,810
"	WIP control Account (rejection)	12,300	"	Wages Control A/c	2,56,800
"	Finished stock Control Account	14,56,500	"	Factory OH Control A/c	1,36,350
""	Balance c/d	10,94,110	"	Finished Goods Control A/c	45,900
		25,96,110			25,96,110

Working:

Factory Overhead Control A/c

		(₹)			(₹)
To	General Ledger Adjustment A/c	1,36,350	By	Work-in-progress A/c	1,36,350
		1,36,350			1,36,350

PYQ May 2018 – Que 1d

(d) *GK Ltd. showed net loss of ₹ 2,43,300 as per their financial accounts for the year ended 31st March, 2018. However, cost accounts disclosed net loss of ₹ 2,48,300 for the same period. On scrutinizing both the set of books of accounts, the following information were revealed:*

		₹
(i)	*Works overheads over recovered 30,400*	*30,000*
(ii)	*Selling overheads under recovered*	*20,300*
(iii)	*Administrative overheads under recovered*	*27,700*
(iv)	*Depreciation over charged in cost accounts*	*35,100*
(v)	*Bad debts w/off in financial accounts*	*15,000*
(vi)	*Preliminary Exp. w/off in financial accounts*	*5,000*
(vii)	*Interest credited during the year in financial accounts*	*7,500*

Prepare a reconciliation statement reconciling losses shown by financial and cost accounts by taking costing net loss as base. ***(4 x 5 = 20 Marks)***

PYQ May 2018 – Que 1d

(d) **Reconciliation Statement**

	Particulars	₹	₹
	Loss as per Cost Accounts		(2,48,300)
Add:	Works overheads over recovered	30,400	
	Depreciation over charged in cost accounts	35,100	
	Interest credited during the year in financial accounts	7,500	73,000
Less:	Selling overheads under recovered	20,300	
	Administrative overheads under recovered	27,700	
	Bad debts w/off in financial accounts	15,000	
	Preliminary Exp. w/off in financial accounts	5,000	(68,000)
	Loss as per Financial Accounts		(2,43,300)

Revision Test Papers (RTPs)

May 2018 to Jan 2025

RTP Analysis

Exam	Q No.	Requirement	Special Points
RTP Jan 2025	12	Statement of Reco and Profit as per Finance	Regular
RTP Sep 2024	12	Memorandum Reconciliation Account	Similar to ICAI SM
RTP May 2024	6	Profit as per Finance and Cost, Cost of Production per unit, Reco Statement	Exhaustive Question - No Special Point
RTP Nov 2023	6	Cost Sheet and PL as per Financial Record and Reco	Similar to ICAI SM
RTP May 2023	6	Reconcillation Statement	Taking Costing Loss as Base
RTP Nov 2022	6	Costing PNL and Reconciliation	Similar to ICAI SM
RTP May 2022	6	Ledger and Trial Balance	Similar to ICAI SM
RTP Nov 2021	6	Ledger and Trial Balance	Similar to ICAI SM
RTP May 2021	6	Cost Sheet and PL as per Financial Record and Reco	Similar to ICAI SM

RTP Analysis

Exam	Q No.	Requirement	Special Points
RTP Nov 2020	6	Memorandum Reconciliation Account	Similar to ICAI SM
RTP May 2020	6	Ledger and Trial Balance	Wrong Treatments - Avoid this Question
RTP Nov 2019	6	Ledger and Trial Balance	Wrong Treatments - Avoid this Question
RTP May 2019	6	Costing PNL and Reconciliation	Similar to ICAI SM
RTP Nov 2018	6	Cost Sheet and PL as per Financial Record and Reco	Similar to ICAI SM
RTP May 2018	6	Ledger and Trial Balance	Wrong Treatments - Avoid this Question

RTP Jan 2025 – Q12

12. Following information is extracted as a result of scrutiny of the figures from both the financial accounts and cost accounts of CK Ltd. for the year ending 31st March:

Particulars	**Amount (₹)**
Net Profit (as per cost accounts)	57,71,840
Under recovery of selling overheads in cost accounts	1,16,800
Under valuation of closing stock in cost accounts	1,64,000
Rent received credited in financial accounts	87,200
Bad debts provided in financial accounts	52,000
Income tax provided in financial accounts	2,54,400
Under recovery of administration overheads in cost accounts	1,50,400

You are required to PREPARE a Statement of Reconciliation showing the profit as per financial records.

RTP Jan 2025 – Q12

12. Statement of Reconciliation

(Reconciling the profit as per costing records with the profit as per financial records)

Particulars	**(₹)**	**(₹)**
Net Profit as per Cost Accounts		57,71,840
Add: Under valuation of closing stock in cost accounts	1,64,000	
Rent received credited in financial accounts	87,200	2,51,200
		60,23,040
Less: Under recovery of selling overheads in cost accounts	1,16,800	
Bad debts provided in financial accounts	52,000	
Income tax provided in financial accounts	2,54,400	
Under recovery of administration overheads in cost accounts	1,50,400	5,73,600
Profit as per Financial Accounts		**54,49,440**

RTP Sep 2024 – Q12

12. A manufacturing company disclosed a net loss of ₹ 3,47,000 as per their cost accounts for the year ended March 31,2024. The financial accounts however disclosed a net loss of ₹ 5,10,000 for the same period. The following information was revealed as a result of scrutiny of the figures of both the sets of accounts.

	(₹)
(i) Factory Overheads under-absorbed	40,000
(ii) Administration Overheads over-absorbed	60,000
(iii) Depreciation charged in Financial Accounts	3,25,000
(iv) Depreciation charged in Cost Accounts	2,75,000
(v) Interest on investments not included in Cost Accounts	96,000
(vi) Income-tax provided	54,000
(vii) Interest on loan funds in Financial Accounts	2,45,000
(viii) Transfer fees (credit in financial books)	24,000
(ix) Stores adjustment (credit in financial books)	14,000
(x) Dividend received	32,000

PREPARE a memorandum Reconciliation Account

RTP Sep 2024 – Q12

12. Memorandum Reconciliation Accounts

Dr. Cr.

	(₹)		(₹)
To Net Loss as per Costing books	3,47,000	By Administration overheads over recovered in cost accounts	60,000
To Factory overheads under absorbed in Cost Accounts	40,000	By Interest on investment not included in Cost Accounts	96,000
To Depreciation under charged in Cost Accounts	50,000	By Transfer fees in financial books	24,000
To Income-Tax not provided in Cost Accounts	54,000	By Stores adjustment (Credit in financial books)	14,000
To Interest on Loan Funds in Financial Accounts	2,45,000	By Dividend received in financial books	32,000
		By Net loss as per financial books	5,10,000
	7,36,000		7,36,000

RTP May 2024 – Q6

6. The financial books of a company reveal the following data for the year ended 31st March, 2023:

	(₹)
Opening Stock:	
Finished goods 875 units	76,525
Work-in-process	33,000
01.04.2022 to 31.03.2023	
Raw materials consumed	7,84,000
Direct labour	4,65,000
Factory overheads	2,65,000
Goodwill written off	95,000
Administration overheads	3,15,000
Income tax paid	72,000
Bad debts	21,000
Selling and distribution overheads	65,000

RTP May 2024 – Q6

Interest received	18,500
Rent received	72,000
Sales 14,500 units	20,80,000
Closing Stock: Finished goods 375 units	43,250
Work-in-process	48,200

The management of the company, for preparing cost sheet and variance analysis uses the following cost recovery basis which has been elaborated by the cost controller of the company:

Factory overheads are absorbed at 60% of direct wages.

Administration overheads (production related) are recovered at 20% of factory cost.

RTP May 2024 – Q6

Selling and distribution overheads are charged at ₹ 5 per unit sold.

Opening Stock of finished goods is valued at ₹105 per unit.

The company values work-in-process at factory cost for both financial and cost accounting purpose.

You being an associate to the cost controller of the company has been asked to:

(i) PREPARE a statement of profit as per costing records and financial records.

(ii) CALCULATE cost of production per unit.

(iii) PREPARE a statement reconciling the profit as per costing records with the profit as per financial records.

RTP May 2024 – Q6

6. Statement of Profit as per financial records

(for the year ended March 31, 2023)

	(₹)		(₹)
To Opening stock:		By Sales	20,80,000
Finished goods	76,525	By Closing stock:	
Work-in-process	33,000	Finished Goods	43,250
To Raw materials consumed	7,84,000	Work-in-Process	48,200
To Direct labour	4,65,000	By Rent received	72,000
To Factory overheads	2,65,000	By Interest received	18,500
To Goodwill written off	95,000		
To Administration overheads	3,15,000		
To Selling & distribution overheads	65,000		
To Income tax paid	72,000		
To Bad debts	21,000		
To Profit	70,425		
	22,61,950		22,61,950

RTP May 2024 – Q6

Statement of Profit as per costing records

(for the year ended March 31,2023)

	(₹)	(₹)
Sales revenue (14,500 units) (A)		20,80,000
Cost of Sales:		
Opening stock (875 units x ₹ 105)	91,875	
Add: Cost of production of 14,000 units (Refer to Working Note 1& 2)	18,15,360	
Less: Closing stock $\left(\frac{₹18,15,360 \times 375 \text{ units}}{14,000 \text{ units}}\right)$	(48,626)	
Production cost of goods sold (14,500 units)	18,58,609	
Selling & distribution overheads (14,500 units x ₹ 5)	72,500	
Cost of sales: (B)	19,31,109	19,31,109
Profit: {(A) – (B)}		1,48,891

RTP May 2024 – Q6

Workings:

1.	**Number of units produced**	Units
	Sales	14,500
	Add: Closing stock	375
	Total	14,875
	Less: Opening stock	875
	Number of units produced	14,000

Cost Sheet

(₹)	(₹)
Raw materials consumed	7,84,000
Direct labour	4,65,000
Prime cost	12,49,000
Factory overheads (60% of direct wages)	2,79,000
Factory cost	15,28,000
Add: Opening work-in-process	33,000
Less: Closing work-in-process	(48,200)
Factory cost of goods produced	15,12,800
Administration overheads (20% of factory cost)	3,02,560
Cost of production of 14,000 units	18,15,360

Cost of production per unit:

$$= \frac{\text{Total Cost of Production}}{\text{No. of units produced}} = \frac{₹\,18{,}15{,}360}{14{,}000 \text{ units}} = ₹129.67$$

RTP May 2024 – Q6

Statement of Reconciliation
(Reconciling the profit as per costing records with the profit as per financial records)

	(₹)	(₹)
Profit as per Cost Accounts		1,48,891
Add: Factory overheads over absorbed (₹ 2,79,000 – ₹ 2,65,000)	14,000	
S & D overheads over absorbed (₹ 72,500 - ₹ 65,000)	7,500	
Opening stock overvalued (₹ 91,875 – ₹ 76,525)	15,350	
Interest received	18,500	
Rent received	72,000	1,27,350
		2,76,241
Less: Administration overheads under recovery (₹ 3,15000 – ₹ 3,02,560)	12,440	
Closing stock overvalued (₹ 48,626 – ₹ 43,250)	5,376	
Goodwill written off	95,000	
Income tax paid	72,000	
Bad debts	21,000	2,05,816
Profit as per financial accounts		70,425