



The Institute of Chartered Accountants of India

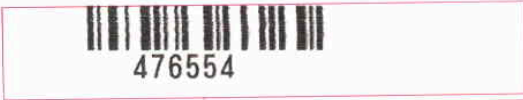
Code: IN4CM476554
 Subject: 04 Cost and Management Accounting

Total Marks: 70
 Marks Obtained: 53.5

Subject: Cost & Management Accounting
 Number of Answer Books used: Main + additional sheets

Date Seal: 11 SEP 2025

For use by ICAI only



Paper Code	V	A B C D E F G H I J K L M N O P Q R S T ● V W X Y Z
	M	A B C D E F G H I J K L ● N O P Q R S T U V W X Y Z
	S	A B C D E F G H I J K L M N O P Q R ● T U V W X Y Z
	1	

MCQ Booklet Serial No.	Paper No.	Level of Exam →	Intermediate ●	Final ②																									
8 6 2 9 5 5 6	4	Intermediate																											
MCQ Answers																													
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○
○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○

No Marks for this page





The Institute of Chartered Accountants of India

Code: IN4CM476554
Subject : 04 Cost and Management Accounting

Total Marks: 70
Marks Obtained : 53.5

3	3	3	3	3	3	3	3	3	3
4	4	4	4	4	4	4	4	4	4
5	5	5	5	5	5	5	5	5	5
6	6	6	6	6	6	6	6	6	6
7	7	7	7	7	7	7	7	7	7
8	8	8	8	8	8	8	8	8	8
9	9	9	9	9	9	9	9	9	9

INSTRUCTIONS TO THE CANDIDATE FOR FILLING THE MCQ ANSWER FIELDS

- 1. Use Pencil to Darken the appropriate Circle.
- 2. Mark the correct MCQ Booklet Serial No. as printed on your question booklet which will be taken as final for evaluation.
- 3. Any candidate fills in this information wrongly, Institute will not take any responsibility for rectifying the mistake.
- 4. Do not darken the complete circle.
- 5. If you want to change your Answer, erase the all darkened circle completely and make a fresh mark.
- 6. Please do NOT make any stray marks on the OMR cover page.
- 7. Rough work must NOT be done on the OMR cover page.
- 8. Mark your answer only in the appropriate space against the number corresponding to the question.

How to mark answers	
CORRECT METHOD	WRONG METHOD
(A) ● (C) ○ (D) ○	✗ (B) ○ (E) ●

Q. No.	To be ticked <input checked="" type="checkbox"/> by the candidate against the Questions answered (Descriptive Type)	
1	<input type="checkbox"/>	8 <input type="checkbox"/>
2	<input type="checkbox"/>	9 <input type="checkbox"/>
3	<input type="checkbox"/>	10 <input type="checkbox"/>
4	<input type="checkbox"/>	11 <input type="checkbox"/>
5	<input type="checkbox"/>	12 <input type="checkbox"/>
6	<input type="checkbox"/>	13 <input type="checkbox"/>
7	<input type="checkbox"/>	14 <input type="checkbox"/>
Total		Total ●

No Marks for this page



Code: IN4CM476554
Subject: 04 Cost and Management Accounting

Total Marks: 70
Marks Obtained: 53.5

03

Ans - 1
(a)

Computation of selling price per unit
in month of June
at of selling price

Particulars	₹
Production Units = 4000 Units	
Direct Material = $\frac{1500,000}{3000} \times \frac{110}{100} \times 4000$	2200,000
+ Direct wages = $\frac{600,000}{3000} \times \frac{115}{100} \times 4000$	920,000
+ Semi Variable overheads	
Fixed O.H.s 50,000 (WN-1) $50,000 \times \frac{80}{100}$	40,000
Variable O.H.s 4000 X 100 (WN)	400,000
Cost Total	35,60,000
+ Profit	391600
	3951600
Sales / selling price unit = 97.9	
(WN-1) High low method = $\frac{\text{Diff in Cost}}{\text{Diff in volume}} = \frac{470,000 - 380,000}{3800 - 3000}$	
1000	VC P.U = ₹ 100
110	Fixed cost = $100 \times 3800 - 470,000$
	[1-1a:3] = 50,000
	[Selling price Per Unit = $\frac{3951600}{4000} = 97.9$]

1a 3

1aStep1 3



Code: IN4CM476554
Subject: 04 Cost and Management Accounting

Total Marks: 70
Marks Obtained: 53.5



04

(4)

(1)

Calculation of Normal hourly wage rate

Let the wages of worker = x
Let material cost = y

Particulars	A	Ajay	By ay
Time allowed (A)		40 hrs	40 hr
Time taken (B)		32 hrs	30 hrs
Time saved (A-B)		8 hrs	10 hrs

Cost of material wages	y	y
	$32 \times \frac{x}{y} + 50\% (8 \times \frac{x}{y})$	$30 \times \frac{y}{x} + \frac{30}{40} (10 \times \frac{x}{y})$
	$= 32 \frac{x}{y} + 4 \frac{x}{y}$	$= 37.5 \frac{y}{x}$
	$= 36 \frac{x}{y}$	
Factory OH	360×32	360×30
	$= 11520$	$= 10800$
Factory Cost (Rupee)	124,800	124,800

Solve equation for x & y

No Marks for this page

$$y + 36x + 11520 = 124800 \quad \text{--- (1)}$$

$$y + 37.5x + 10800 = 124800$$

$$-1.5x + 720 =$$



Code: IN4CM476554
Subject: 04 Cost and Management Accounting

Total Marks: 70
Marks Obtained: 53.5



06

2) Actual Variable OH rate Per hour = ~~3.5/hr~~ 3.5/hr
= (WN-2)



3) Variable OH Cost Variance = Std - Actual
= 233400 - 259000
= 25600 (A)



4) Fixed OH Cost Variance = Standard - actual
= 155600 - 195000
= 29400 (A) 29400 (A)



WN-2)

Variable OH ~~offering~~ expenditure = (SR - AR) x A-11
-37000 = (3 - AR) x 74000
-37000 = 222000 - 74000 AR
-37000 - 222000 = -74000 AR
-259000 = -74000 AR

AR = 3.5/hr



[1-1c:4]



Code: IN4CM476554
Subject: 04 Cost and Management Accounting

Total Marks: 70
Marks Obtained: 53.5

07

Ans-2

(a)

Statement of Cost Per Month for Tall Plaza

Particulars	₹
(A) Fixed Costs	
Salaries Personal	
(i) Collection Personal	
$3 \times 10 \times 800 \times 30$	= 720,000
(ii) Supervisors	
$2 \times 3 \times 21000 \times 30$	= 316000
(iii) Security Personal	
$3 \times 10 \times 500 \times 30$	= 450,000
(iv) Tall Plaza Storage	
$2 \times 1 \times 2000 \times 30$	120,000
(B) Other Variable Cost	
Electricity	$140,000 \times \frac{30}{360} = 116,667$
Telephone & Communication	$240,000 \times \frac{30}{360} = 20,000$
Maintenance Cost	$60,00,000 \times \frac{30}{360} = 500,000$
Dep & Amortization Cost	$1200,00,000 \times \frac{30}{360} = 100,00,000$
Travel & conveyance	$125000 \times \frac{30}{360} = 104,167$
Talent expenses Travel	6529000
Total Cost (A)	1506000
Total Cost (B)	17294000

No Marks for this page



Code: IN4CM476554
Subject: 04 Cost and Management Accounting

Total Marks: 70
Marks Obtained: 53.5



08

Total Cost for Total Plugs (A+B)
+ Profit $\left[\frac{12271000 \times 100}{80} \right]$

18800,000
~~10271000~~
290697000
700,000



Takings =

15938750 + 23500,000



(ii) Let Parking Vehicle fare = x
Heavy Commercial = 5x
Bus = 4x

WN-1)	No of Vehicles	Volume Vehicle	Fare charged
	Parking Vehicle	3600,000	x = 3600,000x
	Heavy Vehicle	900,000	5x = 4500,000x
	Bus Vehicle	1500,000	4x = 6000,000x
		6000,000	14100,000x

2a 6

$$14100,000 \times x = 23500,000$$

$$x = 1.67$$

Fare to be charged

- 1) Parking Vehicle = 1.67
- 2) Heavy Vehicle = 1.67 x 500 = 8.35
- 3) Bus = 1.67 x 400 = 6.68



2aStep1 5

[2-2a:6]

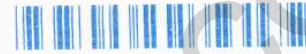
2aStep2 1



Code: IN4CM476554
Subject: 04 Cost and Management Accounting

Total Marks: 70
Marks Obtained: 53.5

09



DO NOT WRITE ANYTHING HERE

2 9

(6)

Statement of apportionment Simultaneous of expense

Particulars	Production Dept			Service Dept	
	P ₁	P ₂	P ₃	S ₁	S ₂
Expenses	-	-	-	160,000	240,000
Cost of S ₂ (35:20:25:10)	97,143	83,265	19,386	27,755	(27,755)
Cost of S ₁ (25:35:20:20:1)	46,938	65,714	37,551	(18,775)	(37,551)
Total O.Hs	1,44,081	1,48,979	1,06,937	-	-

DO NOT WRITE ANYTHING HERE

Simultaneous Method

WN-1) Let amt distributed by S₁ = a
" " " " by S₂ = b

$$S_1 = 160,000 + 10\% (b) \quad S_2 = 240,000 + 20\% (a)$$

$$a = 160,000 + 0.1b \quad b = 240,000 + 0.2a \quad \text{--- (2)}$$

2b 3

Put value of eq (1) in eq (2)

2bStep1 0.5

$$b = 240,000 + 0.2(160,000 + 0.1b)$$

$$b = 240,000 + 32,000 + 0.02b$$

$$b - 0.02b = 272,000$$

$$0.98b = [2-2b:3]$$

$$b = 277,551$$

$$a = 160,000 + 0.1(277,551) = 187,755$$

2bStep2 2.5



Code: IN4CM476554
Subject: 04 Cost and Management Accounting

Total Marks: 70
Marks Obtained: 53.5



10

Ans-3 (a)

Statement of Activity Cost driver used

Particulars / Activity	Cost driver [amt of activity]	Qty driver	Cost Per driver activity
Management of Project	810,000	Number of Projects = 40	20250 / Project
Consulting service	420,000	Consulting hrs = 14000 hrs	30 / hr
Client Interaction & Meetings	630,000	30 + 20 + 40 = 90	7000 / client req
Admin support	1540,000	22000 hrs { software hrs }	70 / hr

(ABC) Statement of total cost and
Costing Per Project cost of services

Particulars	Technology	Healthcare	Education
Management of Project	$20250 \times 20 = 405000$	$20250 \times 10 = 202500$	$20250 \times 10 = 202500$
Consulting service	$6400 \times 30 = 192000$	$5600 \times 30 = 168000$	$2000 \times 30 = 60000$
Client Interaction	$7000 \times 30 = 210000$	$7000 \times 20 = 140000$	$7000 \times 40 = 280000$
Admin support	$70 \times 10,000 = 700,000$	$70 \times 7000 = 490,000$	$70 \times 8000 = 560,000$

No Marks for this page



Code: IN4CM476554
Subject: 04 Cost and Management Accounting

Total Marks: 70
Marks Obtained: 53.5

11

Total Cost	1507000	1000500	892500
No of Projects	20	10	10
Cost Per Project	75350	100050	89250

3aStep1 6

(ii)

Particulars	Technology	Health Care	Education
Cost charged Per Project	90,000	120,000	110,000
(-) Cost Per Project	75350	100050	89250
Profit / Project	14650	19950	20750
Percentage of Profit on cost	$\frac{14650}{90000} \times 100 = 16.27\%$	$\frac{19950}{120000} \times 100 = 16.625\%$	$\frac{20750}{110000} \times 100 = 18.83\%$
Rank as :-	(B)	(C)	(A)

[Most Profitable sector \Rightarrow education sector]
as 18.83 % Profit % on Cost charged

3aStep2 2

3a 8

[3-3a:8]



Code: IN4CM476554
Subject: 04 Cost and Management Accounting

Total Marks: 70
Marks Obtained: 53.5



12

(U)

Statement of Contribution Per Unit of Key factor

Particulars	Product A	Product B
Selling Price Per Unit (Given)	₹ 1000	₹ 1500
(-) Variable Cost		
Raw material	₹ 200	₹ 400
wages	₹ 150	₹ 100
Plant expenses	₹ 200	₹ 300
Variable OH	₹ 80	₹ 120
<hr/>		
Contribution Per Unit (A)	₹ 370	580
Raw material Per Unit (B) $\frac{200}{20} = 10$		20
[as limiting factor]		
Contribution Per Unit of Raw material (A) = (B)	₹ 37	₹ 29
Rank	(1)	(2)

It is advisable that Product A should be produced as it has high Contribution Per Unit of RM

No Marks for this page



Code: IN4CM476554
Subject: 04 Cost and Management Accounting

Total Marks: 70
Marks Obtained: 53.5

13

Statement of optimum Product

Product	A	B
Max Capacity	5000 Units	3500 Units
available Raw Mat [1,10,00 Kg]	50,00 X 10 = 50,000 Kg	3500 X 20 ✓ = 3000 X 20 = 60,000 Kg ✓
optimum Product	50,000 Kg	60,000 Kg ✓
Contribution Per Unit	50,000 X 370	60,000 X 580
(-) Fixed Cost	18,500,000 (250,000)	34,800,000 (350,000)
Profit	18,250,000 ✓ 18,250,000	34,450,000

3b ✓ 4

3bStep1 ✓ 2

3bStep2 ✓ 2

3 ✓ 12

3bStep3 ✗ 0

[3-3b:4]



Code: IN4CM476554
Subject: 04 Cost and Management Accounting

Total Marks: 70
Marks Obtained: 53.5



14

Ans-4

(a)

Particulars	Production Budget (A-I)			
	I	II	III	IV
Sales	72000	90000	99000	108000
(-) Opening stock	(14000)	(18000)	(19800)	(21600)
+ closing stock	18000	19800	21600	24400
80% of Next sales) WN-1				
Production (Q1)	75600	91800	100800	115800

4aStep1



4

Particulars	Raw Material Consumption Budget			
	I	II	III	IV
Production Units	75600	91800	100800	115800
- Opening stock				
Raw material require per Unit 21kg / Per Unit	X 21	X 21	X 21	X 21
RM required	151200	183600	201600	231600
(-) Opening stock				
Consumption Budget (Q1)				

WN-1	I	II	III	IV
	closing stock	90000 X 20 / 18000	99000 X 20 / 19800	101000 X 20 / 21600

No Marks for this page

4aStep2



2



Code: IN4CM476554
Subject: 04 Cost and Management Accounting

Total Marks: 70
Marks Obtained: 53.5

15



(11)

Calculation of machine hours for Product of A-J

Particulars	Machine A	Machine B
Product A		
Total Production	384000 X 2	384000 X 3
384000	= 768000 hrs	= 1152000 hrs
Maintenance hrs ($\frac{768000 \times 100}{5000}$)	15360 hrs	38400 hrs
Total hours required	783360 hrs	1190400 hrs

4a ✓ 9

4aStep3 ✓ 3

(12)

Journal entries Aug 2025

Particulars	Dr	Credit
1) Cost Ledger Control A/c		
+		
2) Stores Ledger A/c Control 98	1025000	
To Cost Ledger Control 98		1025000
[Being material purchased]		
3) Work in Progress Control A/c		
To Stores Ledger A/c	555000	
[Being material issued]		555000

[4-4a:9]



Code: IN4CM476554
Subject: 04 Cost and Management Accounting

Total Marks: 70
Marks Obtained: 53.5



16

3)	Wages Payable a/c dr TO Wages Control a/c	300,000	300,000	<input checked="" type="checkbox"/>
4)	Factory overheads a/c dr TO Costing Prof/loss	220,000	220,000	<input checked="" type="checkbox"/>
5)	Costing Prof/loss a/c dr TO Admin OH a/c	140,000	140,000	<input checked="" type="checkbox"/>

4bStep1 5

4b 5

4 14

[4-4b:5]



Code: IN4CM476554
Subject: 04 Cost and Management Accounting

Total Marks: 70
Marks Obtained: 53.5

17



Ans - 5 (a)

Statement of Rank of ABC selective Control

Material Name	Units	Total Cost	Rank as Per Cost/Value	% of Value
MA	54105	14855	(C) <input type="checkbox"/>	3.4%
MB	32300	12837	(C) <input checked="" type="checkbox"/>	3.0%
MC	28600	17972	(C) <input type="checkbox"/>	3.2%
MD	10250	47685	(B) <input type="checkbox"/>	11.2%
ME	23410	39015	(B) <input checked="" type="checkbox"/>	9.1%
MF	2580	108260	(A) <input type="checkbox"/>	25.1%
MG	8900	89410	(B) <input checked="" type="checkbox"/>	21.1%
MH	4855	98980	(B) <input type="checkbox"/>	23.1%
Total Units, Cost	165000	425010		<input checked="" type="checkbox"/>

→ based on above ABC Control

MF → (A) Category as % of Value is more than all

→ criteria for selective

50,000 or above = (A)

15000 or above = (B)

15000 or less = (C)

5a 3.5

5aStep1 2

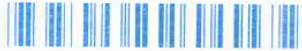
5aStep2 1.5

[5-5a:3.5]



Code: IN4CM476554
Subject: 04 Cost and Management Accounting

Total Marks: 70
Marks Obtained: 53.5



18

(2)

Given \rightarrow ordering cost = ₹ 1250 / order

Carrying cost = ₹ 25 / unit

Annual Production = 90,000

Requirement = 90,000 x 1

(A) = 90,000

$$(i) \text{ Economic order quantity (EOQ)} = \sqrt{\frac{2 \times A \times O}{C}}$$

$$= \sqrt{\frac{2 \times 90,000 \times 1250}{25}}$$

$$(EOQ) = 3000 \text{ Units}$$



$$(ii) \text{ No of orders placed} = \frac{\text{Annual requirement}}{EOQ}$$

5b



3

$$= \frac{90,000}{3000} = 30 \text{ orders}$$



5bStep1



3

[5-5b:3]



Code: IN4CM476554
Subject: 04 Cost and Management Accounting

Total Marks: 70
Marks Obtained: 53.5

19



DO NOT WRITE ANYTHING HERE

DO NOT WRITE ANYTHING HERE

DO NOT WRITE ANYTHING HERE

(C)

(1) Underabsorption

Dr → Costing Profit & Loss
Cr → FG A/c

Costing P/L A/c dr XXX
to FG A/c XXX



(i) Supplementary rate = $\frac{\text{Undervalued amt}}{\text{Equivalent Unit}}$

2) Overabsorption

Dr → WIP Control A/c
Cr → Costing P/L A/c

→ WIP Control A/c dr XXX
to Costing Profit & Loss XXX



3) Underabsorption

Dr → Costing P/L A/c
Cr → Cost of Sales A/c

Costing P/L A/c dr XXX
to Cost of Sales A/c XXX



5 6.5

5c 0

[5-5c:0]

5cStep1 0



Code: IN4CM476554
Subject : 04 Cost and Management Accounting

Total Marks: 70
Marks Obtained : 53.5

Result Overview

Awarded Marks: 53.5

Max Marks:70

NA Not Attempted

O Optional

M Marked

Q1_Compulsory (Score: 12/14)

Question No	Awarded Marks	Maximum Marks	Status	Question Comments
1	12	14	M	
1a	3	5	M	
1b	5	5	M	
1c	4	4	M	

Q2_Q6 (Score: 41.5/56)

Question No	Awarded Marks	Maximum Marks	Status	Question Comments
2	9	14	M	
2a	6	10	M	
2b	3	4	M	
3	12	14	M	
3a	8	8	M	
3b	4	6	M	
4	14	14	M	
4a	9	9	M	
4b	5	5	M	
5	6.5	14	M	
5a	3.5	8	M	
5b	3	3	M	
5c	0	3	M	

6	0	14	<input type="radio"/>
6a	0	5	<input type="radio"/>
6b	0	5	<input type="radio"/>
6c	0	4	<input type="radio"/>

Downloaded From www.castudynotes.com

www.Castudynotes.com

Join Us on Telegram http://t.me/canotes_ipcc