

**Marking Scheme**  
**Strictly Confidential**  
**(For Internal and Restricted use only)**  
**Senior Secondary School Examination, 2026 (XII<sup>th</sup>)**  
**SUBJECT NAME : COST ACCOUNTING (Q.P. CODE : 823/347)**

**General Instructions: -**

<b>1</b>	The CBSE has decided to introduce On Screen Marking (OSM) for the evaluation of Class XII answer Book with the 2026 Examination.
<b>2</b>	You are aware that evaluation is the most important process in the actual and correct assessment of the candidates. A small mistake in evaluation may lead to serious problems which may affect the future of the candidates, education system and teaching profession. To avoid mistakes, it is requested that before starting evaluation, you must read and understand the spot evaluation guidelines carefully.
<b>3</b>	<b>“Evaluation policy is a confidential policy as it is related to the confidentiality of the examinations conducted, evaluation done and several other aspects. Its leakage to public in any manner could lead to derailment of the examination system and affect the life and future of millions of candidates. Sharing this policy/document to anyone, publishing in any magazine and printing in Newspaper/Website, etc. may invite action under various rules of the Board and IPC.”</b>
<b>4</b>	Evaluation is to be done as per instructions provided in the Marking Scheme. It should not be done according to one's own interpretation or any other consideration. Marking Scheme should be strictly adhered to and religiously followed. <b>However, while evaluating, answers which are based on latest information or knowledge and/or are innovative, they may be assessed for their correctness otherwise and due marks be awarded to them. In Class-XII, while evaluating two competency-based questions, please try to understand given answer and even if reply is not from marking scheme but correct competency is enumerated by the candidate, due marks should be awarded.</b>
<b>5</b>	The Marking scheme carries only suggested value points for the answers. These are in the nature of Guidelines only and do not constitute the complete answer. The students can have their own expression and if the expression is correct, the due marks should be awarded accordingly.
<b>6</b>	The Head-Examiner must go through the first five answer books evaluated by each evaluator on the first day, to ensure that evaluation has been carried out as per the instructions given in the Marking Scheme. If there is any variation, the same should be zero after deliberation and discussion. The remaining answer books meant for evaluation shall be given only after ensuring that there is no significant variation in the marking of individual evaluators.
<b>7</b>	Evaluators will mark ( ✓ ) wherever answer is correct. For wrong answer CROSS 'X' be marked. Evaluators will not put right (✓) while evaluating which gives an impression that answer is correct and no marks are awarded. <b>This is most common mistake which evaluators are committing.</b>
<b>8</b>	If a question has parts, please award marks on the right-hand side for each part in the OSM Portal. Marks awarded for different parts of the question will be totaled up by the OSM System.
<b>9</b>	If a question does not have any parts, marks must be awarded in the left-hand margin in the OSM Portal. This may also be followed strictly.

10	If a student has attempted an extra question, answer of the question deserving more marks should be retained and the other answer scored out with a note “ <b>Extra Question</b> ”.
11	No marks to be deducted for the cumulative effect of an error. It should be penalized only once.
12	A full scale of marks _____ (example 0 to 80/70/60/50/40/30 marks as given in Question Paper) has to be used. Please do not hesitate to award full marks if the answer deserves it.
13	Every examiner has to necessarily do evaluation work for full working hours i.e., 8 hours every day and evaluate 20 answer books per day in main subjects and 25 answer books per day in other subjects (Details are given in Spot Guidelines). This is in view of the reduced syllabus and number of questions in question paper.
14	<p>Ensure that you do not make the following common types of errors committed by the Examiner in the past :-</p> <ul style="list-style-type: none"> <li>• Answers marked as correct, but marks not awarded. (Ensure that the right tick mark is correctly and clearly indicated. It should merely be a line. Same is with the X for incorrect answer.)</li> <li>• Half or a part of answer marked correct and the rest as wrong, but no marks awarded.</li> </ul>
15	While evaluating the answer books if the answer is found to be totally incorrect, it should be marked as cross (X) and awarded zero (0) Marks.
16	The Examiners should acquaint themselves with the guidelines given in the “ <b>Guidelines for Spot Evaluation</b> ” before starting the actual evaluation.
17	The candidates are entitled to obtain photocopy of the Answer Book on request on payment of the prescribed processing fee. All Examiners/Additional Head Examiners/Head Examiners are once again reminded that they must ensure that evaluation is carried out strictly as per value points for each answer as given in the Marking Scheme.

**MARKING SCHEME**  
**COST ACCOUNTING (Subject Code-823)**  
**(PAPER CODE: 347)**

Q.No.	EXPECTED OUTCOMES/VALUE POINTS	Marks
	<b>SECTION – A</b> <b>Answer any 4 out of the given 6</b> <b>(Objective type Questions)</b>	<b>4x1=4</b>
1.(i)	(C) Non responding. (Unit 1, page-5)	<b>1</b>
(ii)	Motivation is derived from the word ‘motive’. It indicates a directing behaviour towards a certain goal. (Unit 2, page-24)	<b>1</b>
(iii)	(B) Timely. (Unit 2, page-33)	<b>1</b>
(iv)	(C) Audacity (It is an audio editing software). (Unit 3, page-63)	<b>1</b>
(v)	A startup is a company that is in the first stage of its operations. (Unit 4, page-88)	<b>1</b>
(vi)	(D) Suggest way to reduce the amount of garbage collected. (Unit 5, page-122)	<b>1</b>
2.(i)	(C) Cost of sales	<b>1</b>
(ii)	(B) Quality of the product	<b>1</b>
(iii)	(B) Selling	<b>1</b>
(iv)	(A) Current	<b>1</b>
(v)	True	<b>1</b>
(vi)	(B) Vertical form	<b>1</b>
(vii)	Job ticket/Job sheet/Job card	<b>1</b>
3.(i)	(D)	<b>1</b>
(ii)	It ascertains cost of each job or any other	<b>1</b>
(iii)	(C) Bill of materials	<b>1</b>
(iv)	Shoe manufacturing industry	<b>1</b>
(v)	Contract	<b>1</b>
(vi)	(B) Contract	<b>1</b>
(vii)	(B) Work certified	<b>1</b>
4.(i)	Unpaid balance money by contractee	<b>1</b>
(ii)	(C) Contract price	<b>1</b>
(iii)	Operation are in sequence which are specific	<b>1</b>
(iv)	Increase	<b>1</b>
(v)	Process as mass production and standard production	<b>1</b>
(vi)	Wastage that can't be avoided during normal condition	<b>1</b>
5.(i)	(A) Debited always	<b>1</b>
(ii)	(B) Finished goods	<b>1</b>
(iii)	Electricity companies (BSES)	<b>1</b>
(iv)	Service	<b>1</b>
(v)	(C) Both quantum and period	<b>1</b>
(vi)	Fixed and variable (1/2 x 2)	<b>1</b>

<b>6.(i)</b>	Wages	<b>1</b>
<b>(ii)</b>	To find causes of differences between cost and financial rewards	<b>1</b>
<b>(iii)</b>	Fines and penalties	<b>1</b>
<b>(iv)</b>	(D) Income tax refund	<b>1</b>
<b>(v)</b>	(D) P and L appropriation account	<b>1</b>
<b>(vi)</b>	(A) Increases costing profits	<b>1</b>
	<b>SECTION – B</b> <b>Answer any 3 out of given 5 questions.</b> <b>(Subjective type questions)</b>	<b>3x2=6</b>
<b>7.</b>	There are two types of objects <ul style="list-style-type: none"> <li>• Direct - direct object are the ones directly 'acted on' by the verb.</li> <li>• Indirect – It answer the questions such as 'to whom' and 'for whom'.</li> </ul> (Unit 1, Page No : 17)	<b>1+1=2</b>
<b>8.</b>	There are some of the ways to manage stress (any four) (i) Talk to friends and family for comfort. (ii) Practice meditation and yoga. (iii) Keep your thoughts in present. (iv) Maintain an accomplishment sheet and enter small <b>achievements</b> . (v) Stay positive and analyse situation. (vi) Whenever you feel negative take a look at your accomplishment sheet. (Unit 2, Page No : 26)	<b>½x4=2</b>
<b>9.</b>	(i) Click on 'Insert' from menu.	<b>2</b>
	(ii) Select 'Image'	
	(iii) An insert image dialog box appears browse through folders and select image	
	(iv) Click on 'open'. (Unit 3, Page No : 75)	
<b>10.</b>	There are many types of entrepreneurs which include the following : (i) Service entrepreneur – They create a new market or provide service in an existing market. (ii) IT entrepreneurs – They take up entrepreneurship in the field of information technology (IT). (iii) Agricultural entrepreneurs – Agriculturists, who introduced new and innovative technology to maximise the yield. (iv) Women entrepreneurs – Women who take up entrepreneurship. (any other related to it). (Unit 4, Page No : 82)	<b>½x4=2</b>
<b>11.</b>	The four benefits of green jobs are :- (i) Reduction in green house gas emission. (ii) Controlled waste and pollution (iii) Protection and restoration of Eco systems (iv) Solves the drastic effects of climate change (v) Increase in efficiency of energy and raw materials. (Unit 5, Page No : 114)	<b>½x4=2</b>
<b>12.</b>	Prime cost = Dir. material + Dir. labour + Dir. exp = 24,000 + 15,000 + 12,000 = ₹ 51,000 ans.	<b>1</b> <b>½</b> <b>½</b>
<b>13.</b>	Any 2 disadvantages/limitations (A) It's too expensive (B) It's time consuming process	<b>1+1</b>
<b>14.</b>	It's prepared to ensure timely completion of each job Foreman of each job prepares it.	<b>1+1</b>

15.	Cost unit is process Each process for the total output is same	1+1																																					
16.	Services don't have physical existence It can't be touched or stored.	1+1																																					
17.	$EBQ = \sqrt{\frac{2 \times \text{annual demand} \times \text{processing cost}}{\text{cost of carrying}}}$ $= \sqrt{\frac{2 \times 4000 \times 900}{10 \% \text{ of } 800}}$ $= \sqrt{\frac{1000}{\cancel{2} \times \cancel{4000} \times 90\cancel{0}} \times \cancel{80}} = 300 \text{ units}$	1  1  1																																					
18.	When contractee is agreed to pay the contractor the cost price of work done plus agreed percentage by way of overheads and profit, is called cost plus contract. It is happened when it becomes difficult for contractor to quote the price of contract.	3  3																																					
19.	Statement which is prepared to find the causes of disagreement between cost rewards and financial rewards :- (Any four purely financial charges) (A) Discount on debentures (B) Loss on sale of fixed assets (C) Interest on bank loans (D) Fines and penalties (E) Provision for doubtful debts	1 ½x4																																					
20.	<u>Prime Cost</u> or Direct Cost or Basic Cost summation of all direct cost related to production Fixed Cost :- They remain same irrespective of production Fixed cost remain same	2  2																																					
21.	Any four features (i) Size of each job is generally large (ii) Usually takes more than a year (iii) Work is carried out at site (iv) Contract a/c is prepared	1x4=4																																					
22.	<table><tr><td>Dr.</td><td colspan="4">Process 'A' A/C</td><td colspan="2">Cr.</td></tr><tr><td>To Raw material</td><td>10,000</td><td>80,000</td><td>By normal @ 10 p.a. loss</td><td>1,000</td><td>10,000</td></tr><tr><td>To Dir. Wages</td><td></td><td>16,000</td><td>By abnormal @ loss *</td><td>300</td><td>3,000</td></tr><tr><td>To Indi. exp</td><td></td><td>4,000</td><td>By Process 'B' A/C</td><td>8,700</td><td>87,000</td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td>10,000</td><td>1,00,000</td><td></td><td>10,000</td><td>1,00,000</td></tr></table> <p>Format 1 Mark ½ Mark for cash item</p>	Dr.	Process 'A' A/C				Cr.		To Raw material	10,000	80,000	By normal @ 10 p.a. loss	1,000	10,000	To Dir. Wages		16,000	By abnormal @ loss *	300	3,000	To Indi. exp		4,000	By Process 'B' A/C	8,700	87,000								10,000	1,00,000		10,000	1,00,000	4
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23.	Yes, Education institutions uses services costing as they offer intangible product. They charge fee for services rendered. Major service organisation are : (a) Hospital (b) Transport companies (c) Electricity dept.	2  1x2																																				
24.	Reconciliation statement as on 31 March 2025 <table border="1"> <thead> <tr> <th>Particulars</th><th>+ Item</th><th>– Item</th></tr> </thead> <tbody> <tr> <td>Profit as per costing records</td><td>2,75,000</td><td></td></tr> <tr> <td>Factory overheads</td><td>10,000</td><td></td></tr> <tr> <td>Rent received</td><td>5,500</td><td></td></tr> <tr> <td>Dividend received</td><td>11,000</td><td></td></tr> <tr> <td>Selling overheads</td><td></td><td>10,000</td></tr> <tr> <td>Prov. for d\l,</td><td></td><td>4,000</td></tr> <tr> <td>Dir. remuneration</td><td></td><td>4,000</td></tr> <tr> <td>Inc. tax Dept.</td><td></td><td>20,000</td></tr> <tr> <td>Adm. Exp.</td><td></td><td>3,000</td></tr> <tr> <td>Profit as per financial records</td><td></td><td>21,000</td></tr> <tr> <td></td><td></td><td>2,39,500</td></tr> </tbody> </table>	Particulars	+ Item	– Item	Profit as per costing records	2,75,000		Factory overheads	10,000		Rent received	5,500		Dividend received	11,000		Selling overheads		10,000	Prov. for d\l,		4,000	Dir. remuneration		4,000	Inc. tax Dept.		20,000	Adm. Exp.		3,000	Profit as per financial records		21,000			2,39,500	
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