Skillshort

Self-Study Preparation Pack

CA INTERMEDIATE

Paper 4: Cost and Management Accounting

Past Papers – Trend Analysis, Question Patterns & Official Links

Covers new-scheme attempts Sept 2025 – Sept 2026 in detail · Official ICAI download links for all attempts

Paper structure | Attempt-wise map | Question-type patterns | Examiner comments | Official links

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This subject pack has 6 parts

1 Chapter-wise notes
2 Important topics & weightage
3 Past papers: trends & links
4 Mock tests + solutions
5 Chapter practice questions
6 Last-week plan & strategy

Prepared by Skillshort for self-study. Original explanations and questions; not an official ICAI/ICMAI/ICSI publication. Items marked VERIFY should be checked against the latest official material.

1. How to use ICAI past papers (and why we don't reprint them)

ICAI owns the copyright in its question papers and suggested answers. This file gives a **trend analysis** and **direct official links** – download the papers from ICAI, attempt them in 3 hours, then compare with ICAI's suggested answers.

STRATEGY The 3-pass method for costing past papers

Pass 1 (untimed): solve every MCQ case of the last four attempts – they are short and cover the whole syllabus. **Pass 2 (timed, 3 hours):** one full paper; write every working note. **Pass 3 (compare):** check ICAI's **format** (tables, labels F/A, assumptions) as much as the numbers – presentation carries marks.

2. Paper structure (new scheme)

Part	Content	Marks
Part I	15 MCQs × 2 marks: 2 case scenarios of 5 MCQs + 5 independent numerical MCQs	30
Q1 (compulsory)	(a) 5 + (b) 5 + (c) 4 – three different chapters, all numerical	14
Q2–Q5	Each 14 marks: one large numerical (7–10) + one or two smaller	–
Q6	Theory: (a) 5 + (b) 5 + (c) 4, with an OR in (c)	–
Choice	Answer **any four of Q2–Q6**	4 × 14 = 56

3. Attempt-wise question map (descriptive)

Attempt	Q1	Q2	Q3	Q4	Q5	Q6
Sept 2025	(a) Unit costing – selling price at a given output (two months' data) · (b) Halsey/Rowan – hourly rate and material cost · (c) Variable and fixed overhead variances	(a) Service costing – toll plaza, equivalent vehicle units · (b) Simultaneous equations for service departments	(a) ABC – project costs in three sectors · (b) Key factor (material) – optimum mix	(a) Quarterly production and material budgets, machine hours · (b) Non-integrated journal entries	(a) ABC inventory control plan · (b) EOQ and orders · (c) Entries for under/over-absorption	(a) Responsibility centres · (b) Advantages of job costing · (c) Controlling employee cost **or** uses of BOM
Jan 2026	(a) Packaging cost allocation (large/small boxes) · (b) Joint products with by-product NRV, further processing · (c) Halsey and Rowan	(a) Cost sheet – work back from cost of production · (b) Process account with abnormal loss (accident, damaged containers)	(a) Service costing – bank loan processing · (b) Batch costing – training batch fees and fill rate	(a) Sales/cost variances (budget vs actual) · (b) Absorption vs marginal profit at normal capacity	(a) Machine shop – MHR with operators · (b) Capacity and activity ratios · (c) Product choice (M or S)	(a) Classification by function and variability · (b) Suitable incentive scheme · (c) ABC usefulness **or** budgetary control components
May 2026	(a) Batch costing for a special order · (b) Material variances · (c) Reconciliation of cost and financial results	(a) Cost sheet – cotton yarn · (b) CVP at 80% capacity – changes in cost/price	(a) Joint products – further processing in departments · (b) Fixed overhead variances	(a) Channel/customer profitability (ABC) · (b) Labour turnover – working back from rates	(a) Absorption vs marginal costing – two products · (b) MOS/BEP data	(a) JIT demand-pull · (b) Cost control vs reduction · (c) Biometric attendance **or** spoiled and defective work

Attempt	Q1	Q2	Q3	Q4	Q5	Q6
Sept 2026	(a) Marginal costing – two products, decision · (b) EOQ and ordering cost · (c) Reciprocal service departments	(a) Two products, materials and labour – variances/costs · (b) Cost sheet for aerospace parts	(a) Reconciliation of cost and financial profit · (b) Service costing – 72-km intercity bus route	(a) Labour cost – skilled/semi-skilled/unskilled (wage, incentive) · (b) FIFO process costing – losses and EU	(a) Cost sheet from inventories · (b) Blanket vs departmental overhead rates, under/over-recovery	(a) Classification of costs · (b) By-product and joint-cost treatment · (c) Treatment of items in the cost sheet

Map prepared by Skillshort from ICAI suggested answers; sub-part splits may differ slightly in the official papers.

MCQ themes seen (Part I)

Attempt	Case scenarios	Independent MCQs
Sept 2025	Cost sheet (employee cost → profit); absorption vs marginal, BEP, profit at 10% lower sales	Material variances; joint products; materials consumed; process accounts; under/over-absorption
Jan 2026	Multi-product CVP with a new product (C/S, BEP, profit); EOQ for two materials, total cost at another order size	Labour variances; factory/admin overhead recovery; piece-rate; FIFO issues; machine data
May 2026	Inter-process profit (pencil manufacture); machine hour rate with/without an AI system	Stock levels; worker's hourly cost; job cost; passenger-km; P/V from two years
Sept 2026	Customer profitability by ABC (distributors, supermarkets, online); production and material purchase budgets	FIFO process; Halsey; FIFO inventory; overtime premium on an urgent order; capacity of a new machine

4. Question-type patterns (what ICAI really tests)

Pattern	How it is asked	How to score
Work-back questions	Find sales, raw materials or hours from ratios/answers given	Write the formula, rearrange, show each step
Decision questions	Make/buy, key factor, accept order, further processing	Use **relevant costs only**; end with a clear recommendation
Variance sets	4–8 variances with checks	Present a **variance tree**; label F/A; reconcile sub-variances to the total
Service costing	New industries each attempt	Identify the **cost unit** and its quantity first; show assumptions
Theory	Lists and distinctions	5–6 crisp points with headings; examples from industry

5. Examiners' comments – where students lose marks

COMMON MISTAKE **From ICAI's "Examiners' Comments" (Sept 2025 and Jan 2026)**

- Halsey/Rowan: could not work back the **normal hourly rate** and material cost from the two workers' data.
- Toll plaza: total cost computed, but the **equivalent-vehicle** concept missed.
- Reciprocal services: used the **step method** when **simultaneous equations** were asked.
- Key factor: **lack of knowledge of limiting-factor ranking** – poor performance.
- Budgets: production and material budgets done, but **machine hours including maintenance** missed.
- ABC inventory: could not rank materials and draw a **selective-control plan**.
- Theory: weak answers on **controlling employee cost** and **uses of BOM** (poor).
- Joint products: by-product **NRV not credited** before apportioning joint costs.
- Cost sheet: raw materials consumed not worked back correctly from cost of production.
- Process costing: **abnormal loss due to an accident** and damaged containers mishandled (poor).
- Service costing (bank): salary of direct professionals not computed on the stated assumption.

6. Official ICAI links (download here)

Resource	Link
Suggested answers – Intermediate, September 2026	https://www.icai.org/post/sugg-ans-inter-sep2026
Suggested answers – Intermediate, May 2026	https://www.icai.org/post/sugg-ans-inter-may2026
Suggested answers – Intermediate, January 2026	https://www.icai.org/post/sugg-ans-inter-jan2026
Suggested answers – Intermediate, September 2025	https://www.icai.org/post/sugg-ans-inter-sep2025
BoS – Previous year suggested answers	https://boslive.icai.org/education_content.php?c=intermediate&p=Previous+Year+Suggested+Answers
BoS – Question papers (new scheme)	https://boslive.icai.org/education_content.php?c=intermediate&p=Question+Papers+New+Scheme
BoS – Revision Test Papers (RTP) – January 2027 list	https://boslive.icai.org/education_content_rtp.php?c=Intermediate
BoS – Mock Test Papers (MTP)	https://boslive.icai.org/education_content.php?c=intermediate&p=Mock+Test+Papers
Study material – Intermediate (new scheme)	https://boslive.icai.org/education_content_study_material_new_scheme.php?c=intermediate
Section-wise weightage – Intermediate (issued 26-10-2023)	https://resource.cdn.icai.org/76830bos61899-inter.pdf
Skill-wise weightage (new scheme)	https://resource.cdn.icai.org/84798skill-wise-weightage.pdf

Attempt	Paper 4 – Suggested answers (official PDF)
Sept 2026	https://resource.cdn.icai.org/94856bos-aps6590-sep2026-sa4.pdf
May 2026	https://resource.cdn.icai.org/92875bos-sa-int-may2026-p4.pdf
Jan 2026	https://resource.cdn.icai.org/91202bos-aps4356-sa-int-p4.pdf
Sept 2025	https://resource.cdn.icai.org/89273bos-aps3012-int-p4.pdf
May 2025	https://resource.cdn.icai.org/86854bos-sa-int-may2025-g2-p4.pdf
Jan 2025	https://resource.cdn.icai.org/84878bos68360-p4.pdf
RTP January 2027 – Paper 4	https://resource.cdn.icai.org/94899bos-aps6603-jan2027-p4.pdf
Examiners' comments (Group II)	Jan 2026: https://resource.cdn.icai.org/91582bos-aps4356-int-ec-g2.pdf · Sept 2025: https://resource.cdn.icai.org/89725bos-aps3356-int-sep2025-g2.pdf · May 2025: https://resource.cdn.icai.org/87262bos-sa-int-may2025-g2-comment.pdf

NOTE Costing has no "law changes"

Unlike tax and law, old costing answers remain valid. The only syllabus additions in the new scheme are **digital costing (ERP, GeM)**, **ABC** and the **service-sector cost sheet** – study these from the current study material.