Skillshort

Self-Study Preparation Pack

CMA INTERMEDIATE

Paper 8: Cost Accounting (CA)

Last-Week Revision Plan & Exam Strategy

For the December 2026 term (Paper 8 on Wednesday 16 December 2026, 2–5 pm) · 7-day plan · 3-hour strategy

7-day plan | Time allocation | Answer formats | Formulas to memorise

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This subject pack has 6 parts

1 Chapter-wise notes
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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. Seven-day plan

Group I papers: **P5 Thu 10 Dec, P6 Sat 12 Dec, P7 Mon 14 Dec, P8 Wed 16 Dec 2026**. P8 is the last paper of the group – the gap days (Fri 11, Sun 13 and Tue 15 December) are your main costing days.

PLAN Day-by-day

Day	Session 1	Session 2
D-7 (Wed 9 Dec)	Ch 1–4: concepts, cost sheet, material (EOQ, levels), employee cost (incentives, turnover)	Practice Sets 1 and 2; D1, D2, D4
D-6 (Thu 10 Dec)	(P5 exam day) Evening: CAS list and CAS 3, 5, 8, 10 answers	Practice Set 6 (CAS part)
D-5 (Fri 11 Dec)	Ch 5 and 7: overheads, machine hour rate, under/over-absorption, reconciliation, integrated entries	Practice Set 3; D3; Mock 1 – Q2 and Q3
D-4 (Sat 12 Dec)	(P6 exam day) Evening: Ch 10 and 13 – contract and operating costing	Practice Set 6; D10
D-3 (Sun 13 Dec)	Ch 8–12: batch, job, process (losses, equivalent units, inter-process profit), joint and by-products	Practice Set 4; D5, D6, D7; **Mock 1 (3 h)**
D-2 (Mon 14 Dec)	(P7 exam day) Evening: Ch 14–16 – marginal costing, material and labour variances, budgets	Practice Set 5; D8, D9, D11
D-1 (Tue 15 Dec)	**Mock 2 (3 h)** or the June 2026 ICMAI paper	Formula sheet; contract stage rules; variance checks; Q8 theory list

EXAM TIP What to revise on the last day

Cost sheet format; EOQ, ROL, maximum and minimum levels; Halsey and Rowan; contract profit rules; tonne-km and passenger-km; process loss treatment; the variance formulas and their checks; BEP, MOS, P/V; the CAS number–title list.

2. Exam-hall strategy (3 hours)

Time	Action
First 10 minutes	Read the paper; choose **5 of Q2–Q8**. Q4 (operating + contract) and Q7 (budget + CAS) are the most predictable; Q8 is pure theory and fast if prepared
0:10 – 0:45	**Q1 – 15 MCQs** – do the theory and CAS ones first, then the short numericals
0:45 – 2:50	Five questions, about **25 minutes each**
2:50 – 3:00	Check every variance total ties to the cost variance, and every account balances

STRATEGY Answer-writing rules for costing

- Start with a **heading** ("Cost sheet of X Ltd. for the year ended ...", "Contract account", "Process A account").
- Put calculations in **working notes** below the main statement and number them.
- Mark every variance **(A) or (F)** and show the **check** (sub-variances add up to the total).
- In contract costing, state the **stage of completion** and the formula used before the profit figure.
- For CAS answers use five headings: **objective, scope, measurement principles, assignment, presentation and disclosure**.
- For decisions (key factor, make or buy, shut down), give a one-line **recommendation** at the end.

3. Formulas to memorise

Area	Formulas
Material	EOQ = √(2AO ÷ C); ROL = max usage × max lead time; maximum level = ROL + ROQ − min usage × min lead time; minimum level = ROL − normal usage × normal lead time; danger level = min usage × min lead time
Labour	Halsey = T × R + 50% × (S − T) × R; Rowan = T × R + (S − T) ÷ S × T × R; separation rate = separations ÷ average workers
Overheads	Pre-determined rate = budgeted overheads ÷ budgeted base; machine hour rate = machine overheads ÷ productive hours
Contract	< 25%: nil · 25–50%: ⅓ × NP × cash/certified · 50–90%: ⅔ × NP × cash/certified · > 90%: estimated profit × certified/price (or × cash/price)
Operating	Tonne-km (absolute) = Σ load × distance; commercial = average load × total distance; passenger-km = seats × occupancy × km
Marginal	P/V = contribution ÷ sales; BEP = FC ÷ P/V; MOS = profit ÷ P/V; sales for target = (FC + profit) ÷ P/V
Material variances	Price = AQ(SP − AP); usage = SP(SQ − AQ); mix = SP(RSQ − AQ); yield = SP(SQ − RSQ)
Labour variances	Rate = AH paid (SR − AR); idle = idle hours × SR; efficiency = SR(SH − AH worked); mix = SR(RSH − AH worked); sub-efficiency = SR(SH − RSH)

REMEMBER **Five examiner warnings for December 2026**

1. **Abnormal** losses, idle time and unabsorbed overheads from abnormal idle capacity go to the **Costing P&L**, never to product cost.
2. Closing stock of finished goods is valued at **cost of production**, not cost of sales.
3. Uncertified work is valued at **cost**, and the reserve is deducted from WIP in the balance sheet.
4. Only **material and labour variances** are in the syllabus – do not waste time on overhead or sales variances.
5. CAS references: s. 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014 – CAS issued by the Council of ICMAI.