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Roll No:

(To be filled in by the candidate)

PSG COLLEGE OF TECHNOLOGY, COIMBATORE - 641 004 SEMESTER EXAMINATIONS, SEPTEMBER / OCTOBER 2018 MSc – SOFTWARE SYSTEMS Semester: 4 15XW41 ACCOUNTING AND FINANCIAL MANAGEMENT

Time: 3 Hours Maximum Marks: 100

INSTRUCTIONS:

- 1. Answer **ALL** questions. Each question carries 20 Marks.
- 2. Subdivision (a) carries 3 marks each, subdivision (b) carries 7 marks each and subdivision (c) carries 10 marks each.
- a) What is Double Entry system of Book Keeping?
 - b) Briefly explain the various Accounting concepts
 - Prepare journal entries for the following transactions entered in the books of M/s. Ramesh Enterprises during the month of April 2018
 - 1. Capital introduced by Mr Ramesh as on 1.4.2018 Rs. 1,75,000.
 - 2. Opened a bank account with Vijaya Bank on 02.04.2018 by depositing Rs.40,000 in cash
 - Goods purchased on 4.4.2018 from Shameer for Rs.1,00,000.
 - 4. Machinery purchased from KMP enterprises for Rs.40,000 by paying Rs.8,000 cash and balance by cheque on 10.04.2018.
 - 5. Goods purchased for cash Rs.28,000 on 14.4.2018.
 - 6. Sold goods for cash Rs.1,20,000 on 16.4.2018 to Mr. Rajesh.
 - 7. Power charges paid by cheque to TANGEDCO Rs. 5,500 on 17.4.2018
 - 8. Cash withdrawn by Mr. Ramesh for his personal use Rs. 22,000 on 21.4.2018.
 - 9. Cash withdrawn from Vijaya Bank for office use Rs. 4,000.
 - Depreciation on Machinery to be charged @ 10%
- a) What is a budget?
 - b) Illustrate the different cost elements in calculating cost and different stages and profits with the help of a proforma cost sheet
 - c) Prepare Profit & Loss Account and a Balance Sheet with the following ledger account balances that were extracted from the books of M/s. Axis Agencies as on 30.9.2017

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4	Account CON	Dobit (Do)	Crodit (Da)
	Account	Debit (Rs)	Credit (Rs)
	Salaries	9000	be b
1	Commission	CH	6000
4	Office Expenses	1000	Cr.
	Purchases	22000	G
	Sales	50 60	199000
	Trade mark & Patents	4000	Y Y
1	Vehicles	50000	CH CH
	Interest	1000	EO.
	Stationery	2000	G
	Dena Bank Current A/c	10000	250
•	Power & Fuel	10000	, ,
4	Prop's Capital	85000	CH
	Purchase Expenses	5000	EO TEC
	Land	40000	CG '
	Freight Inwards	6000	b ₂
1	Purchase Returns		7000
4	Stock as on 1.10.2016	9000	CK CH
	Bills Receivable	25000	E TEO
	Bank Overdraft	cG 'cG '	44000
	Buildings	30000	050
٨	Prop's Drawings	22000	Y
4	Freight outwards	7000	Ch anna ch
	Bills Payable		82000
	TOTAL	338000	338000

Transactions yet to be accounted :-

- i) Provide Depreciation on Vehicles @ 10% and Buildings 5%
- ii) Commission received in advance Rs. 1000
- iii) Closing stock on hand Rs. 14000
 - iv) Wages wrongly included in Salaries Rs. 3000
- a) What is Break Even Point?
 - b) What are the factors determining the quantum of working capital in any business?
 - c) Given

· H	Material cost (90 Kgs @ Rs. 300) Rs. 27000
"SQ"	Labour cost (100 hours @ Rs. 40) Rs. 4000
	Expenses - fixed Rs. 20000
GG	- variable (@ Rs. 50 / Unit) Rs. 2500
62	PS AFO AFO
	TOTAL COST 53500
Ch	PROFIT 16500
	1
GG.	SALES VALUE (50 Nos @ Rs. 1400) 70000
62	05° 15° 15° 15° 15° 15° 15° 15° 15° 15° 1
٠,	You are required to calculate
CCL.	(i) Break Even Point
CALL	(ii) Revised selling price when the Break Even Sales quantum is fixed at 60 Nos
050	(iii) No. of Units to be sold to earn a profit of Rs.40000
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- a) What is Economic Ordering Quantity and how the same is being calculated?
 - List out the different accounting ratios along with the method of calculation and their relevance in interpretation of financial statements
 - c) Financial forecast data by a marketing agency is furnished hereunder along with the actuals recorded for July & Aug 2018

CCH	(ACTUAL	S) (Rs)	(ECK,	(FOREC	AST) (Rs.)	
CGTV	July'18	Aug'18	Sep'18	Oct'18	Nov'18	Dec'18
5	62		P	9	7	
Sales	42000	36000	80000	70000	24000	90000
Purchases	22000	10000	12000	30000	6000	50000
Expenses	10000	11000	21000	18000	15000	20000
GST	9000	8000	10000	12000	5000	20000
Salaries	15000	24000	14000	17000	16000	9000

Further information:

- 1) Cash balance forecast on 1.10.2018 is Rs. 40000
- 2) GST is to be remitted on the 5th of the following month
- 3) Salaries are payable by the evening of 30th of the respective month
- 4) 20% of monthly sales is against cash and the balance is realizable after 3 months
- 5) Expenses creditors allow a credit period of 10 days (assume 30 days in a month)
- 6) 75% of the suppliers offer credit on 30 days basis
- 7) Purchase of equipment planned for Nov'18 for Rs. 9,000

Prepare a Cash Budget for the months October, November and December 2018

- 5. a) From the following, mention whether the following items are TRUE / FALSE :- .
 - Prepaid expenses are shown on the Asset side of the balance sheet.
 - Decrease in the value of stock will improve the current ratio
 - iii) Reserves & Surplus shown in the Balance Sheet belong to Share holders
 - Briefly explain the different evaluation methods using Discounted Cash Flows (DCF) in making capital budgeting decisions
 - Explain the different types of costs.