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No of Pages: 4 Course Code: 15XD08 / 15XW41

Roll No:

(To be filled in by the candidate)

PSG COLLEGE OF TECHNOLOGY, COIMBATORE - 641 004 SEMESTER EXAMINATIONS, APRIL 2018

MSc – DATA SCIENCE / SOFTWARE SYSTEM Semester: 4/6
15XDO8 / 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.
- 3. Course Outcome : Qn.1 CO1 Qn.2 CO2. Qn.3 CO3 Qn.4 CO4 Qn.5 CO5
- a) Enumerate any 5 functions of financial accounting.
 - b) i) What is mercantile basis of accounting. How is it different from cash basis of accounting.
 - ii) What is the important aspect to be considered under double entry system of accounting? Illustrate how transactions are recorded using the principles involved.
 - c) Jouralise the following transactions entered into by Hema & Sneha LLP for the month ending 30.04.2017.
 - 1. Capital introduced as on 1.4.2017
 - a) Hema Rs.2,50,000 by cheque
 - b) Sneha Rs.1,50,000 by cheque and Rs.1,00,000 by cash.
 - 2. Opened a bank account with Central Bank of India on 02.04.2017 depositing Rs.10,000 in cash and other two cheques.
 - 3. Rent advance paid by cheque Rs.50,000 to the land lord Gobikrishnan on 4.4.2017.
 - 4. Office furniture purchased from Preethi enterprises for Rs.70,000 by paying Rs.12,000 cash and balance by cheque on 10.04.2017.
 - 5. Goods purchased on 12.4.2017 from Kiran for Rs.2,50,000.
 - Goods purchased for cash Rs.1,08,000 on 14.4.2017.
 - 7. Sold goods for cash Rs.1,20,000 on 16.4.2017.
 - 8. Sold goods on 20.4.2017 to Pooja on credit Rs.75,000.
 - 9. Rent paid for the month to Gobikrishnan Rs.5,000 by cheque on 30.04.2017.
 - 10. Salary paid to office staff by cash Rs.14,000 on 30.04.2017.
- 2. a) Give any three reasons for the necessity to prepare Bank Reconciliation statement regularly.
 - b) i) Define depreciation. How is it referred to in the context of natural resources and intangible assets.
 - ii) What are the two commonly used methods for calculating depreciation? Explain how you will calculate WDV at the end of 3 years using each method for an asset whose cost is Rs.12,00,000. You can assume other details as required

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c) i) Prepare a statement of profit and loss and balance sheet for Adarsh Industries from the following Trial Balance as on 31.03.2018.

ſ	Particulars	Debit	Credit
	SCI, SCI, SCI,	Rs.	Rs.
	Central Bank of India A/C.	2,35,000	
C	Salaries and wages paid	70,000	0
40	Income from Investments		5,000
	Investments in securities	80,000	CK,
	Land	1,00,000	
	Sale of Goods	60	7,70,000
G	Loan from bank	62	8,50,000
	Capital account	- 1	18,00,000
	Office maintenance expenses	20,000	Ch
	Purchase of Goods	3,30,000	The
	Buildings	10,00,000	
	Motor car	2,20,000	Y
	Interest paid	30,000	CH
	Telephone expenses	15,000	EC.
	Power charges	75,000	25.000
G	Purchase returns	4 00 000	65,000
	Stock as on 1.4.2017	1,20,000	8
	Repairs and maintenance	25,000	-14
	Freight charges	15,000	'CC,
	Trade receivables	4,00,000	. 11
	Postage and Courier	10,000	5,00,000
	Trade payables Rent paid	40,000	5,00,000
	Advertisement charges	65,000	1
	Machinery	11,00,000	C.C.
	Service charges received	11,00,000	10,000
	Cash on hand	50,000	5 10,000
	Total	40,00,000	40,00,000

Note: Closing stock as on 31.3.2018 is Rs.3,20,000.

Provide depreciation on Machinery at 15%

on motor car at 20%

on Buildings at 5%

(OR)

ii) Prepare a receipts and payments account for Supraja sports club for the year ending December 2017 from the following information.

Particula	ars	Rs.
Balance bright forward	d as on 01.01.2017	TEC!
Cash on hand	GG 1	15,800
HDFC Bank A/d	.62	25,200
Purchase of sports kits	s CH	64,500
Repairs to equipments	GTE	24,000
General maintenance	PS	18,000
Salary to coach	CH.	2,40,000
Salary to helpers	TEO	1,44,000
Electricity charges	30	24,000

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12,500 Participation fee relating to 2016 Subscription collected from members arrears for 2016 @ Rs.5,000 1,20,000 each from 24 members - for current year @ Rs.6,000 3,60,000 each from 60 members 20 members are yet to pay for the current year 48,800 Income from Investments 96,000 Sale of damaged goods 22,800 Property tax paid for the year Cash on hand as on 31.12.2017 5,600

- 3. a) What is the meaning of 'cost' and what are the objectives of cost accounting.
 - b) i) In what categories of Industries job costing will be used and where batch costing method will be followed.
 - Explain the characteristics of the following:-

Balance in HDFC band a/c.as on 31.12.2017

a) Fixed cost

Telephone charges

Secretary salary

- b) Variable cost c) Standard cost

44,400

16,000

50,000

- d) Budgeted lost
- c) The following extract of costing information for the half year ended 31.3.2018 relates to manufacture of latest version of desktop computers.

LEC.	LEO, LEO,	SC.	Rs.
GG	Sale value of computers	GIV	12,00,000
ba	Purchase of materials and com	nponents	4,80,000
CH	Works over heads	CH	1,92,000
CTE	Administrative expenses	TEC.	2,40,000
ps	Direct wages	agg '	2,00,000
·	Stock details	as on 1.10.2017	as on 31.3.2018
TEC.	Materials and components	80,000	88,000
as ^G	Work in progress	48,000	86,000
Y -	Finished goods	64,000	1,28,000
ECH	ECH PS	(20 nos.)	(40 nos.)
GTE	Manufacturing expenses	CH	2,40,000
b2	Selling and distribution OH are	e Rs.30 per unit sold.	320 computers were pr
-4	during the period. Prepare a c	ost sheet for the job and	l ascertain

Selling and distribution OH are Rs.30 per unit sold. 320 computers were produced during the period. Prepare a cost sheet for the job and ascertain

- 1. Cost of material consumed
- Cost of production
- 3. Cost of sales

- 4. Net profit
- 5. Net profit per computer sold
- What are overhead expenses. How are they recovered or absorbed under cost accounting

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b) i) Explain marginal cost equation. What is the formula for determining the quantity of sales required to achieve a desired level of profit.

- ii) Explain three types of standards under standard costing.
- c) i) A company is divided into 4 departments, A, B, C depts. are producing dept and D is a service department. The actual costs for a period are as follows:

4	Rs.	H	Rs.
Rent	1,00,000	Supervisory charges	1,50,000
Repairs to plant	60,000	Insurance Premia for stock	50,000
Depreciation of plant	45,000	Power charges	90,000
ESI contribution	15,000	Electricity charges for lights	E.C.
The Contract of the Contract o	6.71	and fans	12,000

The following information is available is respect of the four departments.

Particulars		Dept. A	Dept. B	Dept. C	Dept. D
Area in square meters		1500	1100	900	500
Number of employees	CG.	20	G 15	10	5
Total wages	62	60,000	40,000	30,000	20,000
Value of plant	A	2,40,000	1,80,000	1,20,000	60,000
Value of stock		1,50,000	90,000	60,000	CX
HP of plant		24	18	12	6

Apportion the overhear costs to various departments on most equitable basis.

(OR)

- ii) The standard quantity of chemicals and solvents required for manufacture of 100 litres of Emulsion Paint is 1000 kg and the standard price per kg is Rs.25/-. However, as per cost accounting records it is seen that 12000 kg of chemical and solvents costing Rs.2,64,000 have been used. Calculated Material cost variance and explain how it has occurred due to price and usage.
- 5. a) What are different classifications of working capital.
 - b) i) When current ratio is 1.50, amount of working capital is Rs.80,000, find out the value of current assets and current liabilities.
 - ii) List any four factors influencing the size of receivables.
 - c) A new project requires an investment of Rs.500 lakhs and has a scrap value of Rs.20 lakhs after 6 years. Depreciation to be calculate at 20% under WDV method. Income tax payable is on the net profit at 30% each year. The project is expected to yield a profit before depreciation and taxes as under

Year 1	- Rs. 80 lakhs	Yea	ır 4 -	Rs.100 lakhs
Year 2	- Rs.120 lakhs	Yea	ar 5 -	Rs. 80 lakhs
Year 3	- Rs.140 lakhs	Yea	ır 6 -	Rs. 40 lakhs

- 1. Calculate the payback period.
- Is there any post pay back profitability.
- 3. What is the average rate of return on the investment.

CSK. /END/