Course Code: 12 No of Pages: 2

Roll No:

(To be filled in by the candidate)

PSG COLLEGE OF TECHNOLOGY, COIMBATORE - 641 004

AUGUST / SEPTEMBER - 2016 SEMESTER EXAMINATIONS,

> MSc – SOFTWARE SYSTEMS Semester: 4

12XW41 ACCOUNTING AND FINANCIAL MANAGEMENT

Time: 3 Hours **Maximum Marks: 100**

INSTRUCTIONS:

- 1. Answer **ALL** questions from GROUP I.
- 2. Answer any **FOUR** questions from GROUP II.
- 3. Answer any **ONE** question from GROUP III.
- 4. Ignore the box titled as "Answers for Group III" in the Main Answer Book.

GROUP - I Marks: $10 \times 3 = 30$

- 1. Under what circumstances cash basis of accounting in used and what does it mean.
- 2. Explain the concept of debit and credit under double entry system of accounting.
- 3. How is ledger posting done and the accounts balanced?
- 4. 'Statement of profit & loss'. What does it contain?
- 5. Methods of costing Describe the Two Primary methods.
- 6. With a diagram explain the elements of cost and how they are combined to arrive at different levels of cost.
- 7. Mention any three advantages of cost accounting.
- 8. What are 'overheads'? Where and how is it absorbed?
- 9. Explain 'cost of capital' under capital budgeting.
- 10. In what context ABC analysis are used.

GROUP - II Marks: $4 \times 12.5 = 50$

- 1. a) Define depreciation. In what context depletion and amortization used.
 - b) Calculate written down value at the end of 4 years for machinery purchased at a cost of Rs.10,00,000 using straight line method if its useful life is 10 years and scrap value is Rs.50,000.
 - c) Calculate the written down value of the same machinery under WDV method PSG TECH PSG adopting 15% rate at the end of 4 years.
- 12. From the details given below find out the following Ratios.
 - 3) Stock Turnover ratio 1) Current Ratio 2) Debtors Turnover ratio
 - 4) Creditors Turnover ratio 5) Debt equity ratio 6) Gross profit ratio

No of Pages : 2 Course Code : 12XW41

7) Debt service coverage ratio 8) Net profit ratio and state if each of them are indicating reasonable trend Asmitha Industries – Balance sheet as at 30.06.2016.

1		A CONTRACTOR OF THE CONTRACTOR		A
L	iabilities	Rs.	Assets	Rs.
	Capital C	6,50,000	Land & Building	4,45,000
	Term loans (repayable in 5 years	7,25,000	Machinery & Equipments	6,05,000
d	nterest @ 12% p.a.)	5	55	
? ~			Furniture and Fixtures	40,750
	CH CH	CH	Vehicles	1,02,250
	LEO. LEO	160.	Investments	10,000
	Temporary Loans	1,05,500	Cash on hand	32,000
2	62		Bank Balance	68,500
(Creditors for purchases	2,75,000	Sundry debtors	3,25,500
E	xpenses payable	80,000	Closing stock	1,61,000
	Taxes payable	64,500	Deposits & advances	62,000
C	G '	e G	Prepaid expenses	21,750
3	62 b	3	Income Receivable	26,250
	Total	19,00,000	Total	19,00,000

Note: During the period from July 1, 2015. Sales was Rs.45,00,000 including cash sales Rs.6,00,000. At the beginning stock on hand was Rs.2,22,000, debtors Rs.1,85,000 and creditors Rs.3,15,000. All purchases were made on credit totaling Rs.36,00,000. The gross profit and net profit for the year respectively was Rs.5,00,000 and Rs.3,00,000.

- 13. a) Explain the Terms 'contribution' and 'Break even' using marginal cost equation.
 - b) From the following information obtained for Gowsalya & Jayashree, calculate the breakeven point in number of units and the value of sales required to earn a profit of Rs.25,00,000.
 - i) Selling price per unit Rs.600
 - ii) Variable cost per unit Rs.200
 - iii) Fixed cost Rs.50,00,000
 - c) What would be the profit is the company sold 25,000 units.
- 14. a) What is classification of costs, why is it required.
 - b) Describe at least 10 different classification giving two examples in each case.
- 15. a) List any five types of capital expenditure for which capital budgeting in required.
 - b) Under evaluation of projects differentiate between payback period method and post payback profitability method.
 - c) Discounted cash flow method where is it used and how it differs from ordinary cash flow. Explain the concept involved.

PSG TECH PSG TECH

CH PSG TECH Course Code : 12XW41 No of Pages : 2

Marks: $1 \times 20 = 20$

GROUP - III PSG TECH 16. Prepare a cash budget for 3 months ending 30.9.2016 from the following in formation

				toer m	C	Walks : 1 x 20 - 20	C		
os ^G	16.	Prepare a cash budge	t for 3 mor	nths ending 30.9.201	6 from the fo	ollowing in formation	PSG		
	1	a)	- 4	CH		H CH	H		
CG	1.	Month	Sales	Material Purchase	Salaries	over-heads	TEC.		
CITE		CITY	Rs.	Rs.	Rs.	Rs.	-G		
15 ^G		May 2016	30,000	18,000	7,500	3,000	pS		
Y		June 2016	32,000	19,000	7,500	3,000	· CH		
/.C	1	July 2016 August 2016	34,000 36,000	19,600 21,000	8,000 8,000	3,300 3,600	EQ.		
TE		September 2016	36,000	21,500	8,500	3,600	G		
osG		b) Credit terms are	500,000	55 ^{G21,000}	5,,,,,,,	\$500G	PSO		
~1	N	1) Sales and debt	ors – \lambda	H	•	H CH	-4		
1EU	*		s each mo	nth 10%	1EC	, TEO	E.C.		
cG \		-(3)		Ca	-G	cG '	CATT		
credit sales are on 45 days credit									
2) Creditors - Material suppliers – 2 months credit									
TEO	*	- Sal	aries payal	ole weekly	TEC	YECK!	ECH		
as ^G		- Ove	rheads are	e to be met fortnightly	16G	GG \	GT		
c) Cash and bank balance on July 1, 2016 is Rs.10,000.							PSC		
CC		d) Other details - Loa	an installm	ent payable monthly	Rs.8,000	ch cH			
- Sale of used machine will realized Rs.12,000 each in August &									
62		Sep	tember 20	16.7	62	056	TEC.		
- G	- Investment income to be received Rs.2000 every month.								

- b) Credit terms are

- July 2016 is Rs.10,000.

 Loan installment payable monthly Rs.8,000

 Sale of used machine will realized Rs.12,000 each in August & September 2016.

 Investment income to be received Rs.2005

 Property tax to be paid:

 Books
 - Investment income to be received Rs.2000 every month.

 - Bonus payable to employees in September 2016 is Rs.10,000.
- PSG TECH PSG
- Bonus payable to employees in the context is it used.

 b) Explain with formulae the cost vocincluding its including its includ b) Explain with formulae the cost variance in respect of different elements of cost including its bifurcation interms of value and successions. Page No: 3 nents of psGTECH psGTECH psGTECH psGTECH psGTECH including its bifurcation interms of value and quantum. PSG TECH PSG TECH PSG TECH