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Roll No:

(To be filled in by the candidate)

PSG COLLEGE OF TECHNOLOGY, COIMBATORE – 641 004 SEMESTER EXAMINATIONS, APRIL 2019

MSc – DATA SCIENCE / SOFTWARE SYSTEMS Semester: 4/6 15XDO8 / 15XW41 ACCOUNTING AND FINANCIAL MANAGEMENT

Time: 3 Hours Maximum Marks: 100

- 1	Time. 5 Hours						Lavilla	ui iviai	INS. IOO	,
1	INSTRUCTIONS:			0,		(E)		1		
	1. Answer ALL questions. Each q		M A D					G V)
	2. Subdivision (a) carries 3 ma	arks e	ach, su	ıbdivisi	on (b)	carrie	s 7 ma	rks e	ach and	R
-	subdivision (c) carries 10 mark	s each.		W	•		٠ ·		Ho	
7	3. Course Outcome Qn.1 CO1	Qn.2	CO2	Qn.3	CO3	Qn.4	CO4	Qn.5	CO5	
			6		-6	,		0		

- 1. a) What are the various books of accounts to be maintained in a business entity?
 - b) Prepare journal entries for the following transactions:-
 - 1. Cheque received from Mr. Ram for Rs. 19,000 (who owes Rs. 20,000 and thereby allowing a discount of Rs. 1,000.
 - 2. Goods returned to Mr. J, a supplier for Rs. 2,000
 - 3. Cheque issued to Mr. K for Rs. 4,000 was dishonoured by the bank wrongly
 - 4. Sale of machinery for Rs. 40,000 was entered in Sales Journal wrongly
 - c) Trial Balance as on 31.1.2019 pertaining to M/s. Parekh trading Co. is given below:-

	Account	Debit (Rs)	Credit (Rs)
_	Sundry Debtors	30000	TEO
1	Carriage inwards	6000	co os
	Vehicles	50000	3
	Interest	4000	C.C.P.
	Wages	3000	
A	Indian Bank Current A/c	20000	ase '
	Power & Fuel	8000	P ps
	Prop's Capital	CH CH	99000
	Purchase Expenses	5000	E.C.
	Land	32000	G
1	Freight outwards	6000	050
	Purchase Returns	L. Kr	3000
	Stock as on 1.02.2018	9000	ECI
	Investments	25000	671
1	Term loan from Bank	750	41000
	Buildings	30000	, , , , , , , ,
	Rent	Ch C	8000

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	Office Expense	s PS	4000	ba	ba
N	Purchases	CH	33000	CH	CH
	Sales	LEO.	TEO T	118000	
	Prop's Drawings	s G	9000	GG '	C
	Salaries Salaries	62	7000	Po	, P
A	Bank Overdraft	CH	CH	12000	CH
	EO,	TOTAL	281000	281000	

Additional information to be considered :-

- Provide Depreciation on Buildings 5%
- Office expenses due but not paid Rs. 5000
- stock on hand as on 31.1.2019 Rs. 21000
- Create a provision for doubtful debts @ 5% on debtors

Prepare a trading, profit & loss account and a balance sheet as on 31.1.2019.

- 2. a) List the advantages of financial ratios
 - b) Given:

Current Ratio - 2.4; Quick Ratio - 1.8; stock turnover ratio - 8
GP Ratio - 20%; Sales Rs. 2,00,000; Bank OD & Prepaid expenses – Nil
Find out the values of stock, current assets, quick assets and current liabilities

c) Final Accounts of M/s. Synthetic Fibres Ltd as on 31.7.2018 is as follows :-

70,	20		
TRADING, PROFIT & LOS	SS ACCOUNT FO	R Y/E 31.7.2018	TEO.
050 050	Amount (Rs.)	AS A	amount(Rs.)
			2
To Opening Stock		By Sales	360000
" Purchases	60000	" Closing Stock	50000
"Wages	10000	CITY	CH
,, Power & Fuel	30000	250	EC.
" Gross Profit c/d	270000	P	6(
SCI. SCI	·	250	62
CITY STE	410000		410000
250 250		S.C.	
62	62	TE	CATT
To Salaries		y Gross Profit b/d	270000
" Administrative Expenses	5000 ,,	Rent	15000
" Maintenance Exp	25000	CH	CH.
" Selling expenses	10000	TEO	EQ,
" Depreciation	40000	cG \	CATT
" Donations .	55000	5	
" Net Profit	85000	, Y	. 1
cG' Ch	CY	CH	C/
PS TE	285000	TEO	285000
·	<u> </u>	 G	

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BALANCE SHEET AS ON 31.7.2018

o SLI	ABILITIES	Amount (Rs.)	ASSETS	Amount(Rs.)	Pe
Share Cap General R	pital (50000shares)	100000	Machinery Land & Buildings	200000 150000	
	re Capital(7%)	10000 100000 50000	Deposit with TNEB Debtors	80000 40000	RE
Bank Ove	erdraft	75000	Cash & Bank	538000	
Creditors Expenses	Outstanding	60000 5000	Stock Prepaid Insurance	50000 7000	C
	n from SBI	700000	Short term advances	35000	P-
7	ΓΟΤΑL	1100000	H. H	1100000	

Work out the following ratios and give your inferences on the financials of the company based on the same

1) Current Ratio

- Quick Ratio
- 3) Debt / Equity Ratio
- Average Collection Period
- Working Capital Turnover Ratio 6) GP Ratio
- a) What is Target costing?
 - A retail trader selling Rice submits the following data:

Rs. 50 per kg Selling price of rice Rs. 32 per kg Purchase cost Processing cost Rs. 6 per kg Monthly fixed expenses are Rs. 36,000

Find out

- Break even point
- Profit / Loss when he sells 4000 kgs of rice per month
- quantum of rice to be sold to earn a monthly profit of Rs. 7800
- Discuss in detail the various classifications and types of costs
- a) What is Discounted Cashflow and the salient feature of it over simple cashflows
 - Briefly explain the salient feature of Net Present Value over the pay back period of investment decision making with your own example.
 - c) M/s. Excel Agencies Ltd, is engaged in the manufacturing business considers the following investment options.

CH	OPTION 'A '	OPTION'B
TEO TE	Rs.	Rs.
Initial Investment	6,00,000	8,00,000
Life of the Machine	4 Years	5 Years
Scrap value	1,00,000	2,00,000
Working capital required	-H	

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250	25	initial	50,000	1,00,000
· H	JI.	year beginning	3,00,000	2,00,000
Cash Profit	'SC'	, E.O.	TEO	LEO.
6.11	Year 1	CAL	2,25,000	3,70,000
350	Year 2	250	1,25,000	4,20,000
7	Year 3	Y	3,75,000	3,20,000
H	Year 4	Ch	3,25,000	1,70,000
CO.	Year 5	16		70,000

Income Tax applicable - 30 %

cost of capital to be considered for the appraisal is 14 % p.a

Present Value of Re. 1 at 14% p.a at the end of

Year1-0.88; Year2-0.77; Year3-0.67; Year4-0.59; Year5-0.52;

You are required to suggest the best one among the above, using present values

- List the various types of insurance coverage that are being offered by Indian general insurance companies.
 - b) List the Income Tax Rebate and the various deductions allowed for the salaried assesses under the Indian Income Tax Act for the financial year 2019-20
 - Information relating to receipts and payments of M/s. Tubewell mfg co. Ltd is as below:-

(ACTUALS) (Rs) (ESTIMATES) (Rs.) Apr'19 July'19 Feb'19 Mar'19 May'19 Jun'19 Sales 30000 80000 50000 60000 80000 40000 **Purchases** 8000 10000 12000 20000 6000 20000 12000 10000 5000 8000 8000 16000 Expenses 8000 GST 6000 7000 10000 15000 6000 **Salaries** 19000 20000 14000 12000 16000 9000

Further information:

- Cash balance expected on 1.5.2019 is Rs. 40000
- GST is to be remitted on the 5th of the following month
- Salaries are payable by the 10th day of the succeeding month
- 30% of monthly sales is against cash and the balance is realizable after 2 months
- Expenses creditors allow a credit period of 3 weeks
- 50% of the purchases have to be paid one month in advance and the PSG TECH PSG TECH remaining after one month

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Maturity of investments in Govt Bonds expected June'19 is Rs. 25,000

Prepare a Cash Budget for the months of May'19, June and July '19

/END/