

Indian Institute of Engineering Sciences & Technology, Shibpur
HUMANITIES & SOCIAL SCIENCES DEPARTMENT

B.Tech 8th Semester(ETC/CST/EE/IT) Final Examination, May, 2022
Accounting & Financial Management : [Hu-7801]

Full marks: 30

Answer all the questions

Time: 2 hrs

1. From the following information prepare a Trading & Profit & Loss Account for the year ended March 31, 2022 and Balance Sheet as on that date.

Trial Balance as on March 31, 2022

Name of the Account	Dr. Balances	Cr. Balances
	Rs.	Rs.
Stock on April 1, 2021	24,200	
Cash in hand	4,000	
Cash at bank	12,900	
Leasehold Premium (lease for five years commencing from April 1, 2021)	20,000	
Machinery	30,000	
Furniture	15,000	
Buildings	60,000	
Drawings	5,000	
Capital		1,60,000
Purchase & Sales	96,000	1,45,000
Debtors and Creditors	50,000	40,000
Returns	3,000	4,300
Freight	6,000	
Wages	17,500	
Trade Expenses	4,750	
Salaries	12,000	
Printing & Stationeries	1,800	
Bad Debts	4,000	
Dividend Received		4,000
Rent received		3,100
10% Loan (taken on October 1, 2021)		10,000
Interest on Loan	250	
Total :	3,66,400	3,66,400

You are required to make the following adjustments:

- Stock on March 31, 2022 was valued at Rs. 45,600
- Write off Rs. 2,000 as bad debts *forwards*.
- Charge depreciation on Machinery at 10% and on Building at 5 %. (5+5+5)

2. a) Explain Risk – Return Trade Off with respect to Working Capital Management.

b) Calculate the amount of Working Capital as on March 31, 2022 using the information provided in Q.No. 1 above. (6 +4)

3. Write a note on (any one) :

a) Financing Decision

b) Cost classifications

c) Transaction

(5)