

2/12/16

## INDIAN INSTITUTE OF ENGINEERING SCIENCE AND TECHNOLOGY, SHIBPUR

B.E. 7<sup>th</sup> SEMESTER (A & AM/CE/ME/Met/Min) EXAMINATION, 2016

Subject: HUMANITIES – IV; [Accounting &amp; Financial Management] (HU-7801)

FULL MARKS: 35 Question No 1 is compulsory. Attempt any two from the rest. TIME: 2 Hrs

1. Briefly discuss the definition of Accounting as given by a) AICPA or b) AAA. (5)
2. a. What is a Trial Balance?  
 b. Why Trial Balance is prepared?  
 c. What one should do if it does not agree?  
 d. From the following information prepare a Trial Balance :

Items	(Rs.)	Items	(Rs.)
Sales	1,51,000	Carriage Outwards	3,500
Cash at bank	1,200	Rent, Rates and Taxes	1,700
Office furniture	6,000	Leasehold Premises	25,000
Capital	20,000	Wages	30,000
Accounts receivable	15,000	Goodwill	7,000
Commissions	1,200	Bills Payable	8,000
Bills receivable	7,000	Opening Inventory	12,000
Power and Fuel	6,000	Sales Returns	2,000
Plant and machinery	24,000	Purchase Returns	5,000
Office expenses	2,000	Purchases	60,000
Carriage inwards	1,200	Drawings	7,000
Dividend Received	2,000	Closing Inventory	18,000
Accounts Payable	12,000	General Reserve	7,500

(2+2+2+9)

3. a. What is Working Capital?  
 b. What is the Risk-Return Trade-Off with respect to Working Capital?  
 c. . Compute Working Capital from the Following Information

Items	RS
Sundry Debtors	45,000
Creditors	21,000
Carriage	33,000
Salaries	77,000
Bank	86,000
Repairs	23,000
Bills payable	18,000
Opening Stock	92,000
A/c Receivables	70,000
Furniture	90,000
Rent Outstanding	8,000
Cash	96,000
Bank Overdraft	11,000
Capital	1,50,000

(2+3+10)

4. a. Define Cost with example.  
 b. Classify Cost into different categories on the basis of Variability and Function.  
 c. Prepare a Cost Sheet from the following:

<u>Items</u>	<u>Rs</u>	
Manager's Salary	38,000	
Advertisement	8,800	
Materials purchased	3,32,000	
Direct wages	1,38,400	
Indirect wages	56,000	
Salaries	44,000	
Freight	12,000	
Stationery	4,000	
Fuel	24,800	
Repairs	32,400	
Rent, Rates and Taxes -Office	16,400	
Travelling Expenses	2,400	
Salesman's Commission	33,600	
Directors' Fees	14,000	
Electricity Charges	48,000	
General Charges	14,800	
Opening Stock :		
Raw Material	10,000	
Work in Progress	4,000	
Finished Goods	12,000	
Closing Stock :		
Raw Material	2,000	
Work in Progress	3,000	
Finished Goods	4,000	( 2+4+9)