

3/5/19

INDIAN INSTITUTE OF ENGINEERING SCIENCE & TECHNOLOGY, SHIBPUR
B Tech/Dual Degree B.Tech, M. Tech. 8th Semester Final Examination, 2019
Accounting & Financial Management [Hu-7801]
Branch : CST/ETC/EE/IT

Full Marks: 35

Answer Question No 1 and any one from the Rest

Time : 2 hrs.

1. a. Classify Cost with examples according to Function and Variability.

b. The following figures (in Rs) are extracted from the books of a manufacturing company for the year ended 31st March 2019 when 10,000 Units were produced. Prepare a cost sheet showing clearly the cost per unit under the various elements and also the profit / loss per unit.

	Rs		Rs
Direct material	2,50,000	Branch off exp.	30,000
Direct Labour	8,00,000	Depreciation on Building	10,000
Depreciation(Fy. Building)	11,000	Depreciation on Staff car	15,000
Insurance :		Electricity (including Rs. 5,000 for admn. Office)	35,000
Staff cars	2,000	Advertisement	18,000
Office building	1,500	Sundry factory expenses	4,20,000
Factory building	2,000		
Delicery van – maintenance and running expenses	12,000	Sales promotion	4,000
Salaries (including that of Sales Manager Rs. 20,000 and Factory Chief Engineer Rs. 25,000)	2,75,000	Office admn. Expenses	60,000
		Expenses for participating in industrial exhibition	8,000
		Sales (10,000 units)	50,00,000
Finished goods warehouse expenses	15,000		
			(10+10)

2. The following is the Trial Balance of ABC Company Ltd., Prepare Trading and Profit and Loss Account and a Balance Sheet.

Capital :		1,00,000
Drawings	6,400	
Land	10,000	
Buildings	25,000	
Plant and machinery	15,000	
Furniture and fixture	3,200	
Carriage inwards	2,300	
Wages	21,400	
Salaries	4,600	
Interest Recd	--	1,400
Sales	--	80,000
Sales returns	1,700	
Bank charges	100	
Coal, gas & water	700	
Rates and taxes	800	
Purchase	50,000	
General expenses	1,900	
Sundry debtors	42,800	
Sundry creditors		13,200

Op Stock	25,000	
Fire insurance	400	
Cash at bank	13,000	
Bills Payable		6,000
Cash in hand	2,500	
General reserve	--	26,200
	2,26,800	2,26,800

a. Charge depreciation:
on Building @ 2 ½ per cent, on Plant and machinery @ 10 per cent and
Furniture and Fixture 10 per cent.

b. Carry forward the following unexpired amounts:

Fire Insurance 120

c. Provide the following outstanding Liabilities:

Wages 3,200

Salaries 500

Rent and rates and Taxes 200

d. The value of Closing stock : Rs. 30,000 (5+5+5)

3. a. Discuss Investment Decision for Physical Assets and Financial Assets.

b. Explain "Liquidity Profitability Trade Off" with respect to Working Capital
Management. (8+7)