

SVKM's NMIMS
MUKESH PATEL SCHOOL OF TECHNOLOGY MANAGEMENT & ENGINEERING /
SCHOOL OF TECHNOLOGY MANAGEMENT & ENGINEERING

Academic Year: 2021-22

Programme: B. Tech (Computer Science & Business Systems) Year: III Semester: VI

Subject: Financial & Cost Accounting

Date: 11 April 2022

Marks: 100

Time: 10.00 am to 1.00 pm

Durations: 3 (hrs)

No. of Pages: 06

Final Examination

Instructions: Candidates should read carefully the instructions printed on the question paper and on the cover of the Answer Book, which is provided for the use.

- 1) Question No. 1 is compulsory
- 2) Out of remaining questions, attempt any 4 questions.
- 3) In all 5 questions to be attempted.
- 4) All questions carry equal marks.
- 5) Answer to each new question to be started on a fresh page.
- 6) Figures in brackets on the right hand side indicate full marks.
- 7) Assume suitable data if necessary.

Q1		Answer briefly:	
CO- Usefulness of Accounting Concept SO - Understanding of Accounting concept BL - Understand, Apply and Analyse	a.	Explain: ① Realisation concept. ② Dual aspect concept.	[5]
CO- Awareness of Cost Accounting. SO - Understanding of Elements of cost. BL - Understand, Apply and Create	b.	Write a short note on Direct & Indirect Cost. Give an example for each. <i>D = Directly</i> <i>I = Indirectly</i>	[4]

CO- Interpretation of Financial statements. SO - Understanding of Cash flow activities BL - Understand and Analyse.	c. Classify the following in to Operating, Investing and Financing activity. <div style="margin-left: 40px;"> i. Collection from Debtors <i>Fin</i> ii. Dividend paid <i>Per</i> iii. Interest received <i>Inv</i> iv. Furniture purchase <i>Inv</i> v. Debentures issued. <i>Per</i> </div>	[5]																														
CO- Understanding Cost management. SO - Understanding of Cost behaviour. BL - Understand and Apply.	d. The sales and profits during the two years where as follows: <table border="1" style="margin: 10px auto; width: 60%;"> <thead> <tr> <th>Year Ending 31st March</th><th>Sales Rs.</th><th>Profit Rs.</th></tr> </thead> <tbody> <tr> <td>2004</td><td>4,00,000</td><td>40,000</td></tr> <tr> <td>2005</td><td>6,00,000</td><td>80,000</td></tr> </tbody> </table> <p>Calculate:</p> <div style="margin-left: 40px;"> (a) Profit Volume (P/V) Ratio. <i>20%</i> (b) Fixed Cost. <i>1,99,600</i> (c) Break-even point <i>5,01,000</i> </div>	Year Ending 31 st March	Sales Rs.	Profit Rs.	2004	4,00,000	40,000	2005	6,00,000	80,000	[6]																					
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Q2 CO- Understanding Accounting Process. SO - Preparation of Financial statements. BL - Understand, Analyse, Apply and Create.	<p>The following balances have been extracted from the books of M/s Green House for the year ended March 31, 2021, prepare trading and profit and loss account and balances sheet as on this date.</p> <table border="1" style="margin: 10px auto; width: 80%;"> <thead> <tr> <th>Account Title</th><th>DEBIT AMOUNT (Rs.)</th><th>CREDIT AMOUNT (Rs.)</th></tr> </thead> <tbody> <tr> <td>Purchase <i>T Dr</i></td><td>80000</td><td></td></tr> <tr> <td>Bank balance <i>BS Dia</i></td><td>11000</td><td></td></tr> <tr> <td>Wages <i>T Dr</i></td><td>34000</td><td></td></tr> <tr> <td>Capital <i>BS Dia</i></td><td></td><td>210000</td></tr> <tr> <td>Bills payable <i>BS</i></td><td></td><td>6500</td></tr> <tr> <td>Debtors</td><td>70300</td><td></td></tr> <tr> <td>Cash in hand</td><td>1200</td><td></td></tr> <tr> <td>Legal Expenses</td><td>4000</td><td></td></tr> <tr> <td>Sales</td><td></td><td>200000</td></tr> </tbody> </table>	Account Title	DEBIT AMOUNT (Rs.)	CREDIT AMOUNT (Rs.)	Purchase <i>T Dr</i>	80000		Bank balance <i>BS Dia</i>	11000		Wages <i>T Dr</i>	34000		Capital <i>BS Dia</i>		210000	Bills payable <i>BS</i>		6500	Debtors	70300		Cash in hand	1200		Legal Expenses	4000		Sales		200000	[20]
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Building	60000	
Machinery	120000	
Bills receivable	7000	
Office expenses	3000	
Opening Stock	45000	
Gas and fuel	2700	
Creditors		50000
Freight and Carriage	3500	
Factory lighting	5000	
Return outwards		4000
Office furniture	5000	
Patent right	18800	
Total	470500	470500

Adjustments:

- 1) Machinery is depreciated at 10% and buildings depreciated at 6%.
- 2) Outstanding wages Rs. 50.
- 3) Closing stock Rs. 50000.

Q3
CO- Understanding
Cost Process.
SO - Preparation of
Cost sheet.
BL - Understand,
Analyse, Apply and
Create.

Mr. Nitin provides the following data relating to the manufacturing of one standard product during the month of April 2021.

[20]

Particulars	Amount (Rs.)
Opening Stock of raw Material	Rs. 30,000
Raw Material Purchased	Rs. 80,000
Carriage Inward	Rs. 15,000
Closing Stock of Raw Material	Rs. 20,000
Direct Labor Charges	Rs. 80,000
Machine Hour Worked	1000
Machine Hour Rate	Rs. 20
Administrative Overheads	10% on works cost
Selling overheads	Rs. 0.49 per unit
Unit produced	50000 units

PC
WC
PC
OC
TS

WC
WC

		<table><tr><td>Units sold</td><td>40000 units @ Rs. 7 per units</td></tr></table> <p>You are required to prepare a Cost sheet from the above showing:</p> <p>1.)The cost per unit.</p> <p>2.)Profit per unit sold and profit for the period.</p> <p>30000</p>	Units sold	40000 units @ Rs. 7 per units																									
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<p>Q4</p> <p>CO- Understanding Different types of costing.</p> <p>SO - Ability to do budgets.</p> <p>BL - Understand, Analyse, Apply and Create.</p>	<p>a.</p>	<p>The following information at 50% capacity is given. Prepare a flexible budget and forecast the profit or loss at 60%, 70% and 90% capacity.</p> <table><tr><td></td><td>Expenses at 50% Capacity (Rs.)</td></tr><tr><td>Fixed Expenses</td><td></td></tr><tr><td>Salaries</td><td>50,000</td></tr><tr><td>Rent and Taxes</td><td>40,000</td></tr><tr><td>Depreciation</td><td>60,000</td></tr><tr><td>Administration Expenses</td><td>70,000</td></tr><tr><td>Variable Expenses</td><td></td></tr><tr><td>Materials</td><td>2,00,000</td></tr><tr><td>Labour</td><td>2,50,000</td></tr><tr><td>Others</td><td>40,000</td></tr><tr><td>Semi-variable Expenses</td><td></td></tr><tr><td>Repairs</td><td>1,00,000</td></tr><tr><td>Indirect Labour</td><td>1,50,000</td></tr></table>		Expenses at 50% Capacity (Rs.)	Fixed Expenses		Salaries	50,000	Rent and Taxes	40,000	Depreciation	60,000	Administration Expenses	70,000	Variable Expenses		Materials	2,00,000	Labour	2,50,000	Others	40,000	Semi-variable Expenses		Repairs	1,00,000	Indirect Labour	1,50,000	[15]
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		It is estimated that fixed expenses will remain constant at all capacities. Semi-variable expenses will not change between 45% and 60% capacity, will rise by 10% between 60% and 75% capacity, a further increase of 5 % when the capacity crosses by 75%.																										
		<div>Estimated Sales:</div> <table><tr><th>(Capacity)</th><th>(Rs.)</th><th></th></tr><tr><td>50%.</td><td>10,00,000</td><td>- 50 000</td></tr><tr><td>60%</td><td>11,00,000</td><td>5 000</td></tr><tr><td>70%</td><td>13,00,000</td><td>20 000</td></tr><tr><td>90%</td><td>15,00,000</td><td>7 000</td></tr></table>			(Capacity)	(Rs.)		50%.	10,00,000	- 50 000	60%	11,00,000	5 000	70%	13,00,000	20 000	90%	15,00,000	7 000									
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CO- Understanding Company Accounts and Form. SO - Form & Content of Financial statements. BL - Remember .	b.	Define contingent liabilities? Indicate where it is disclosed in the financial statements?		[5]																								
Q.5 CO- Understanding Accounting process. SO - Preparation of Financial statement. BL - Understand, Analyse, Apply and Create.	a.	<div>Enter the following transactions in double column cashbook of M/s Ambica Traders for July 2021:</div> <table><tr><th></th><th>Rs.</th></tr><tr><td>01 Commenced business with cash</td><td>50,000</td></tr><tr><td>03 Opened bank account with ICICI</td><td>30,000</td></tr><tr><td>05 Purchased goods for cash</td><td>10,000</td></tr><tr><td>10 Purchased office machine for cash</td><td>5,000</td></tr><tr><td>15 Sales goods on credit from Rohan</td><td></td></tr><tr><td> And received cheque</td><td>7,000</td></tr><tr><td>18 Cash sales</td><td>8,000</td></tr><tr><td>20 Rohan's cheque deposited into bank</td><td></td></tr><tr><td>22 Paid cartage by cheque</td><td>500</td></tr><tr><td>25 Cash withdrawn for personal use</td><td>2,000</td></tr><tr><td>30 Paid rent by cheque</td><td>1,000</td></tr></table>			Rs.	01 Commenced business with cash	50,000	03 Opened bank account with ICICI	30,000	05 Purchased goods for cash	10,000	10 Purchased office machine for cash	5,000	15 Sales goods on credit from Rohan		And received cheque	7,000	18 Cash sales	8,000	20 Rohan's cheque deposited into bank		22 Paid cartage by cheque	500	25 Cash withdrawn for personal use	2,000	30 Paid rent by cheque	1,000	[10]
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CO- Understanding Company Accounts and Annual Reports. SO - Understanding of Auditors report BL - Understand, Apply and Analyse.	b. Explain Auditors report. Name the authorities responsible to issue Auditors Report and Directors Report.	[10]
Q6. CO- Understanding Accounting process. SO - Understanding of Importance & usefulness of accounting. BL -Remember, Understand and Apply. <div style="text-align: right; margin-right: 50px;"> <i>7</i> <i>47</i> <i>0110</i> <i>0</i> </div>	Journalise the following transactions of in the books of Vishal Electronics for the month of April 2021. 1 st April: Vishal commenced business with Cash Rs.90,000, and Furniture Rs.60,000 Building Rs.1,00,000. 4 th April : Purchased Motor Car from Honda Company for Rs. 55000 5 th April: Paid Insurance of the above Car Rs. 3,000 to United India Insurance Company. 10 th April: Paid into State Bank of India Rs.40,000. 12 th April: Paid for Salary Rs.10,000 and Rent Rs.3,000 15 th April: Bought goods from Rajesh Rs.80,000 and paid him $\frac{1}{4}$ amount in cash immediately. 18 th April: Cash sales of Rs.60,000 Less cash discount 2%. 20 th April: Received Rent Rs.1,000 and Commission Rs.4,000. 29 th April: Sunita brought goods from us Rs. 45,000. 30 th April: Paid for Printing Rs.17,000 by Debit Card of SBI.	[20]