



UNIVERSITY OF ENGINEERING AND MANAGEMENT, KOLKATA

Degree: B. Tech

Stream: CSE

Year: 3rd

Even Semester Term - I Examination, February - 2024

Subject Code: OECCSE601A

Subject Name: Open Elective - I : Finance & Accounting

Full Marks: 30

Duration: 1 Hour

Date: 29.02.2024

Time: 2.30 PM – 3.30 PM

Part - A

Attempt 5 questions

Each question carries 2 marks (2 × 5)

1. Are Profit & Cash Flow same? Give reason.

or

What do you mean by Capital Budgeting Decisions?

2. Define Revenue Expenditure. Give example.

or

What do you mean by Capital?

3. Mention any two objectives of Cost Accounting.

or

Define Semi-Variable cost. Give example.

4. Mention any 4 methods of preparing Stores Ledger Account.

or

Define EOQ.

5. Define Ordering Cost. Give example.

or

How do you calculate Prime Cost?

Part - B

Attempt 2 questions

Each question carries 5 marks (5 × 2)

6. The following data are available in respect of a material 'MMI' used in the production of a goods of M/s Bright Ltd. for the year 2023:

Cost of the Materials per unit – Rs.50

Weekly consumption – 300 units

Ordering cost per order – Rs.650

Stock holding cost – 2% per month (on cost)

Compute a) Economic Ordering Quantity, b) Optimum No. of Orders per year c) Time lag between two consecutive orders. d) Total cost of inventory.

or

Discuss the assumptions of EOQ.

7. At the beginning of September 2023, Quality Brush Company had in stock 10,000 brushes valued at Rs. 10 each.

Purchases were during the month as follows:

7 th September	4,000 brushes @ Rs. 12.50
14 th September	6,000 brushes @ Rs. 15.00
24 th September	8,000 brushes @ Rs. 16.50

Issued to shop floor were as follows:

16 th September	16,000 brushes
28 th September	10,000 brushes

You are required to compute the value of issues & closing stock On the basis of FIFO principle.

or

Discuss the essentials of a good cost accounting System.

Part - C

Attempt 1 question

Each question carries 10 marks (10 × 1)

8. The following data have been extracted from the books of Sunshine Industries Ltd., for the year 2023 :

	Rs.		Rs.
Opening Stock of Raw Material	25,000	Indirect consumption of material	500
Purchase of Raw Material	85,000	Salary — Office	2,500
Closing Stock of Raw Material	40,000	—Salesmen	2,000
Carriage Inward	5,000	Other Factory Expenses	5,700
Wages — Direct	90,000	Other Office Expenses	900
Wages — Indirect	10,000	Manager's Remuneration	12,000
Rent and Rates — Factory	5,000	Bad Debts written off	1,000
—Office	500	Advertisement Expenses	2,000
Depreciation		Travelling Expenses of Salesmen	1,100
—Plant and Machinery	1,500	Carriage and Freight Outward	1,000
— Office Furniture	100	Sales	2,50,000
		Advance Income-tax paid	15,000

The manager has the overall charge of the company and his remuneration is to be allocated as Rs. 4,000 to the factory, Rs. 2,000 to the office and Rs. 6,000 to the selling operations. From the above particulars prepare a statement showing (a) Prime cost; (b) Factory cost;

(c) Cost of production; (d) Cost of sales; and (e) Net profit.

or

A machine costing Rs.1,40,000 is required in order to undertake a proposed project. The effective life of the machine is 5 years. The estimated earnings before depreciation and tax of the project are as follows :

Year	(Rs.)
1st	48,000
2nd	56,000
3rd	64,000
4th	40,000
5th	32,000

If the tax rate is 30%, cost of capital is 15% and the scrap value of the machine is zero, calculate the net present value and suggest whether the project should be accepted or not.

Given : The present value factor at a discount @ 15% rate are :

Year	:	1	2	3	4	5
PV Factors	:	0.8696	0.7561	0.6575	0.5718	0.4972

--End--