 SASTRA <small>SAHAKARI ANANDH UNIVERSITY</small> <small>DEEMED TO BE UNIVERSITY</small> <small>THIRUVARUR</small> THINK MEET THINK TRANSPARENCY THINK SASTRA	School of Computing First CIA Exam – Feb 2025 Course Code: COM117 Course Name: FINANCIAL & COST ACCOUNTING Duration: 90 minutes Max Marks: 50
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PART A

Answer the following questions

5x2=10

1. Define the terms "assets" and "liabilities."
2. What are the steps in the accounting cycle?
3. Name two common methods of calculating depreciation.
4. Write the meaning of BRS.
5. Mention any two financial statements prepared by businesses.

PART B

Answer the following questions

2x12=24

6. Explain the various concepts and conventions of GAAP.
- 7(a) Pass journal entries for the following transactions: (6 Marks)

Date	Particulars	Amount
6.1.2020	Ganesh started the business with cash	50,000
7.1.2020	Purchased goods from Ram	40,000
8.1.2020	Goods sold for cash	12,000
15.1.2020	Furniture purchased for cash	5,000
18.1.2020	Salary paid to manager	6,500

7 (b). Enter the following transactions in a simple cash book of Kumar
(6 marks)

Date	Particulars	Amount
2	Cash in hand	11,200
5	Received from Ramesh	300
7	Paid rent	30
8	Sold goods for cash	300
10	Paid Mohan	700
27	Purchased furniture for cash	200
30	Paid salaries	100

PART C

Answer the following questions (16 Marks)


8(a). From the following balances as on 31st December, 2020, prepare Trading and profit and loss account. (12 Marks)

Particulars	Amount	Particulars	Amount
Stock on 01.01.2017	9,000	Bad debts	1,200
Purchases	22,000	Sundry expenses	1,800
Sales	42,000	Discount allowed	1,700
Expenses on purchases	1,500	Expenses on sale	1,000
Bank charges paid	3,500	Repairs on office furniture	600

Adjustments:

- Closing stock on, 31st December, 2020 was Rs. 4,500
- Manager is entitled to receive commission @ 5% of net profit after providing such commission.

8(b) How reliable are financial statements in assessing a company's financial health? (4 Marks)

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PART A

Answer the following questions

5x2=10

1. Define cost
2. Explain the term Prime cost
3. Write the meaning of activity-based costing.
4. Calculate Economic order quantity: Annual requirements – 3,600 Kgs; Cost of placing and receiving one order – ₹.10; Annual carrying and storage cost – ₹.20 per unit.
5. Summarize the features of budget.

PART B

Answer the following questions

2x12=24

- 6(a). From the following particulars prepare cost sheet: (8 Marks)

PL	Direct materials	8,000
PL	Direct wages	6,000
PL	Direct expenses	2,500
AO	Administrative overheads	4,000
FO	Factory overheads	5,000
✓	Sales	40,000

- 6(b) Explain the elements of cost. (4 Marks)

7. Two components X and Y are used as follows:

Particulars	X	Y
Normal usage per week	150 Units	200 Units
Re-order quantity	900	1,500

Maximum usage per week	225	250
Minimum usage per week	75	100
Re-order period(week)	12 to 18	6 to 12

Calculate for each component (i) Re-order level (ii) Minimum level (iii) Maximum level (iv) Average level

PART C

Answer the following questions (16 Marks)


8.(a) The purchases and issues of material X during and March 2014 were as follows: (8 Marks)

Date	particulars	Units	Price Per unit (₹)
3	Purchases	700	24
8	Purchases	1000	27
9	Issues	600	
11	Issues	900	
18	Purchases	1,000	25
24	Purchases	500	30
31	Issues	1100	

Prepare stores ledger a/c under (i) Simple average method (ii) Weighted average method.

8 (b) Prepare a production budget for Somu Ltd., from the following data: (8 Marks)

Particulars	Product		
	X	Y	Z
Stock on 1.1.2000 (Units)	10,000	16,000	14,000
Stock on 31.12.2000 (Units)	17,000	15,000	10,000
Estimated sales during the year 2000 (Units)	80,000	70,000	90,000

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PART A

Answer the following questions

(5x2=10 Marks)

1. Define cost unit
2. Explain the term Accounting Packages
3. Write the meaning of Integrated report.
4. State the meaning of environmental Audit.
5. Define Marginal costing

PART B

Answer the following questions

(2x12=24 Marks)

6(a). Discuss the importance of ratio analysis in understanding and interpreting financial statements.

(OR)

6(b). Ganesh is a trader dealing in readymade garments. For the following transactions, pass journal entries for the month of April, 2024

1. Commenced business with cash ₹ 5,00,000
- 2 Purchased goods from S and Co. on credit ₹ 50,000
- 3 Cash deposited into bank ₹ 1,40,000
- 4 Bought a Land from L and Co. for cash ₹ 1,95,000
- 5 Cash withdrawn from bank for office use ₹ 15,000
- 6 Cash withdrawn from bank for personal use ₹ 14,000
- 9 Goods sold for cash ₹ 30,000
- 10 Goods purchased from Vijay ₹ 200000
12. Stationery purchased for and paid through net banking ₹ 5000
17. Dividend directly received by bank ₹20,000
- 18 Money withdrawn from ATM ₹ 30,000
- 20 Salaries paid ₹ 50,000

7(a) A company shows the following results for two periods:

Period	Sales ₹	Profit ₹
1	20,000	1,000
2	10,000	400

Compute: (i) Profit volume ratio (ii) Fixed cost (iii) BEP (iv) Profit when sales are ₹30,000

(OR)

7(b) Distinguish between financial accounting and cost accounting

PART C

Answer the following questions (16 Marks)

8(a) As an auditor, how would you assess the reliability and accuracy of financial data produced by a newly implemented ERP system? (8 Marks)

8(b) Calculate the Profitability ratios. Profit and loss a/c of X Ltd., is given below (8 Marks)

Profit and loss account

Particulars	₹	Particulars	₹
To opening stock	2,00,000	By sales	16,00,000
To purchases	12,00,000	By closing stock	3,20,000
To administration expenses	1,20,000	By Dividend	4,000
To selling expenses	80,000		
To financial expenses	40,000		
To loss on sale of assets	5,000		
To Net profit	2,79,000		
	19,24,000		19,24,000