

**SASTRA DEEMED UNIVERSITY**  
(A University under section 3 of the UGC Act, 1956)

**End Semester Examinations**

**May 2025**

**Course Code: COM117**

**Course: FINANCIAL & COST ACCOUNTING**

**QP No. :U178-6**

**Duration: 3 hours**

**Max. Marks:100**

**PART – A**

**Answer all the questions**

**10 x 2 = 20 Marks**

1. Define the term assets.
2. Explain capital and revenue expenditure with examples.
3. Identify two common methods of calculating depreciation.
4. Summarize the concept of a cost unit.
5. Distinguish between job costing and contract costing.
6. Mention the elements of cost.
7. Define Marginal costing.
8. Outline the key features of Zero-Based Budgeting.
9. Explain the significance of IFRS.
10. State the meaning of environmental Audit.

## PART - B

Answer all the questions

4 x 15 = 60 Marks

11. Ganesh is a trader dealing in textiles. For the following transactions, pass journal entries for the month of January, 2023.

Jan 1. Commenced business with cash ₹ 70,000

2 Purchased goods from X and Co. on credit ₹ 30,000

3 Cash deposited into bank ₹ 40,000

4 Bought a building from L and Co. on credit ₹ 95,000

5 Cash withdrawn from bank for office use ₹ 5,000

6 Cash withdrawn from bank for personal use ₹ 4,000

9 Goods sold for cash ₹ 3,000

10 Goods purchased from Vijay ₹ 2000

12 Stationery purchased for and paid through net banking ₹ 500

15 Bank charges levied ₹ 200

17 Dividend directly received by bank ₹ 2,000

18 Money withdrawn from ATM ₹ 3,000

20 Salaries paid through ECS ₹ 6,000

23 Cricket bats donated to a trust ₹ 1,000

25 Sold goods to Keerthana, who made the payment through credit card ₹ 10,000.

(OR)

12. (a) Explain the significance of ratio analysis in financial statement interpretation. (5)

(b) Explain the various concepts and conventions of GAAP. (10)

13. (a) From the following particulars prepare cost sheet: (8)

Particulars	Amount
Direct materials	8,000
Direct wages	6,000
Direct expenses	2,500
Administrative overheads	4,000
Factory overheads	5,000
Sales	40,000



(b) Two components X and Y are used as follows:

(7)

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.

(OR)

14. (a) Distinguish between financial accounting and cost accounting. (5)  
(b) The following details pertain to the production department of a factory. (10)

Particulars	Amount (₹)
Material consumed	60,000
Direct wages	40,000
Machine hours	50,000
Labour hours worked	25,000
Factory overhead relating to the department	50,000

Calculate overhead absorption rates under different possible methods from the above details.

15. Explain the advantages and Limitations of Standard costing.

(OR)

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

Particulars	Product		
	X	Y	Z
Stock on 1.1.17 (Units)	5,000	6,000	4,000

Stock on 31.12.17 (Units)	7,000	5,000	7,000
Estimated sales during the year 2017(Units)	70,000	60,000	80,000

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

Period	Sales ₹	Profit ₹
1	1,40,000	15,000
2	1,60,000	20,000

Compute: (i) Profit volume ratio (ii) Fixed cost (iii) BEP sales.

17. Assess the advantages of XBRL in financial reporting.

(OR)

18. A company has recently implemented an ERP system for financial reporting. As an auditor, how would you evaluate the reliability and accuracy of financial data generated by the ERP system?

### PART – C

Answer the following

1 x 20 = 20 Marks

19. (a) Prepare trading and profit and loss account and Balance sheet from the following ledger balances presented by P. Sen as on 31st March, 2021. (12)

Particulars	Amount (₹)
Purchases <del>T</del>	10,000
Wages <del>T</del>	600
Freight inwards <del>T</del>	750
Carriage outwards <del>P/L</del>	400
Advertisement <del>P/L</del>	500
Cash <del>A</del>	1,200
Machinery <del>A</del>	8,000
Debtors <del>A</del>	2,250
Bills receivable <del>A</del>	300
Opening stock <del>T</del>	1,000



Sales <del>T</del>	15,100
Commission received <del>P/L</del>	1,900
Rent received <del>P/L</del>	600
Creditors L	2,400
Capital L	5,000

A → dr  
L → cr

Additional information:

- Stock on 31st March, 2021 ₹ 2,100 T(cr) | A(dr)
- Outstanding wages amounted to ₹ 200 T(dr) ↑ | L
- Advertisement paid in advance for ₹ 150 P/L(dr) ↓ | A ret
- Commission received in advance ₹ 400 P/L(cr) ↓ | L

(b) Explain the steps involved in audit of computerised accounting. (8)

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