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# B.M.S. College of Engineering, Bengaluru-560019

Autonomous Institute Affiliated to VTU

## June 2025 Semester End Main Examinations

**Programme: B.E.**

**Semester: VI**

**Branch: Industrial Engineering and Management**

**Duration: 3 hrs.**

**Course Code: 23IM6PCFAC**

**Max Marks: 100**

**Course: Financial Accounting and Costing**

**Instructions:** 1. Answer any FIVE full questions, choosing one full question from each unit.  
2. Missing data, if any, may be suitably assumed.

UNIT - I			CO	PO	Marks	
1	a)	What are the objectives of book keeping?	CO2	PO2	<b>05</b>	
	b)	What are the 3 different types of accounts. Explain each with an example & golden rule.	CO2	PO2	<b>05</b>	
	c)	Journalize the following transactions in the books of Mr. Z. 1.1.96, Mr. Z commenced the business with cash Rs.50, 000/- 3.1.96, paid into bank Rs.4000/- 5.1.96, bought office furniture for cash Rs.5000/- 6.1.96, sold goods for cash Rs.6000/- 8.1.96, sold goods to Murthy on credit Rs.4000/- 10.1.96, paid rent to landlord Rs.3000/- 12.1.96, paid salary to manager Rs.1000/- 15.1.96, sold office furniture for cash Rs.2000/- 16.1.96, received commission from Suresh Rs.200/- 18.1.96, bought goods for Rs.4000/-	CO3	PO4 PO11	<b>10</b>	
<b>OR</b>						
2	From the following transactions, prepare: a) Journal b) Ledger account c) Trial Balance  Jan 1 <sup>st</sup> : commenced business with cash Rs.5000/-, furniture Rs.2000/- and machinery Rs.5000/- Jan 2 <sup>nd</sup> : paid into bank, Rs.2000/- Jan 3 <sup>rd</sup> : purchased goods Rs.2000/- Jan 4 <sup>th</sup> : purchased goods from Krishna Rs.3000/- Jan 5 <sup>th</sup> : sold goods Rs.3000/- Jan 6 <sup>th</sup> : goods returned to Krishna Rs.1000/- Jan 7 <sup>th</sup> : sold goods to Rama Rs.2000/- Jan 8 <sup>th</sup> : paid rent Rs.100/-, wages Rs.100/- and salaries Rs.500/-			CO2	PO2	<b>20</b>

**Important Note:** Completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages. Revealing of identification, appeal to evaluator will be treated as malpractice.

		UNIT - II																																										
3	a)	Prepare trading account, along with profit and loss account and the balance sheet from the following balances relating to the year ending 31 <sup>st</sup> March 2009.	CO3	PO4 PO11	20																																							
		<table border="1"> <tr><td>Capital</td><td>Rs.10000</td><td>Bank</td><td>Rs.1000</td></tr> <tr><td>Creditors</td><td>Rs.1220</td><td>Repairs</td><td>Rs.50</td></tr> <tr><td>Returns outwards</td><td>Rs.500</td><td>Stock (1.1.2009)</td><td>Rs.2000</td></tr> <tr><td>Sales</td><td>Rs.16,400</td><td>Rent</td><td>Rs.400</td></tr> <tr><td>Bills payable</td><td>Rs.500</td><td>Manufacturing expenses</td><td>Rs.800</td></tr> <tr><td>Plant and machinery</td><td>Rs.4000</td><td>Trade expenses</td><td>Rs.700</td></tr> <tr><td>Sundry debtors</td><td>Rs.2400</td><td>Bad debts</td><td>Rs.200</td></tr> <tr><td>Drawings</td><td>Rs.1000</td><td>Carriage</td><td>Rs.150</td></tr> <tr><td>Purchases</td><td>Rs.10,500</td><td>Fuel &amp; Power</td><td>Rs.100</td></tr> <tr><td>Returns inwards</td><td>Rs.300</td><td>Wages</td><td>Rs.5000</td></tr> </table>	Capital	Rs.10000	Bank	Rs.1000	Creditors	Rs.1220	Repairs	Rs.50	Returns outwards	Rs.500	Stock (1.1.2009)	Rs.2000	Sales	Rs.16,400	Rent	Rs.400	Bills payable	Rs.500	Manufacturing expenses	Rs.800	Plant and machinery	Rs.4000	Trade expenses	Rs.700	Sundry debtors	Rs.2400	Bad debts	Rs.200	Drawings	Rs.1000	Carriage	Rs.150	Purchases	Rs.10,500	Fuel & Power	Rs.100	Returns inwards	Rs.300	Wages	Rs.5000		
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		Additional information is as follows: <ul style="list-style-type: none"><li>• A sum of Rs.40/- is due for repairs.</li><li>• Depreciate plant and machinery Rs.400/-</li><li>• Allow 5% interest on capital</li></ul> The closing stock was valued at Rs.1450/-																																										
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4	a)	Prepare the trading account from the following:	CO3	PO4 PO11	10																																							
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	b)	From the following particulars, prepare Balance sheet as on 31st Dec 2009. Capital – Rs.2625/- Rent Outstanding – Rs.30/- Sundry creditors – Rs.770/-			10																																							

		Bills payable – Rs.1500/- Cash in hand – Rs.100/- Plant and machinery – Rs.1150/- Sundry debtors – Rs.1000/- Drawings – 400/- Bills receivable – Rs.250/- Cash at bank – 300/- Closing stock – 985/- Net profit – 1260/- Buildings – 2000/-																																																	
		<b>UNIT - III</b>																																																	
5	a)	<p>The following are the summary of all the expenses of a manufacturing company operating a job costing. Draft a suitable statement showing the subdivision of total cost. Prepare a Job cost sheet.</p> <table border="1"> <thead> <tr> <th>Particular</th><th>Amount</th></tr> </thead> <tbody> <tr><td>Wages to different job</td><td>90500</td></tr> <tr><td>Material used on job</td><td>95000</td></tr> <tr><td>Hire of cranes on job</td><td>1400</td></tr> <tr><td>Wages paid to maintenance worker</td><td>2420</td></tr> <tr><td>Power</td><td>1010</td></tr> <tr><td>Rent and rates(factory)</td><td>4600</td></tr> <tr><td>Sales commission</td><td>1200</td></tr> <tr><td>Salesman salaries</td><td>9200</td></tr> <tr><td>Travelling and other expenditure</td><td>2800</td></tr> <tr><td>M/c repair</td><td>5700</td></tr> <tr><td>M/c depreciation</td><td>1280</td></tr> <tr><td>Shafting repairs</td><td>1400</td></tr> <tr><td>Shafting depreciation</td><td>1700</td></tr> <tr><td>Store keeper wages</td><td>800</td></tr> <tr><td>Belting renewals and repairs</td><td>700</td></tr> <tr><td>Advertisement</td><td>2500</td></tr> <tr><td>Worker salaries</td><td>5400</td></tr> <tr><td>Director fees</td><td>3000</td></tr> <tr><td>Audit fees</td><td>2000</td></tr> <tr><td>Office salaries and exp</td><td>2900</td></tr> <tr><td>Postages and stationary</td><td>2600</td></tr> <tr><td>Drivers wages and other distbn expenses</td><td>12000</td></tr> </tbody> </table>	Particular	Amount	Wages to different job	90500	Material used on job	95000	Hire of cranes on job	1400	Wages paid to maintenance worker	2420	Power	1010	Rent and rates(factory)	4600	Sales commission	1200	Salesman salaries	9200	Travelling and other expenditure	2800	M/c repair	5700	M/c depreciation	1280	Shafting repairs	1400	Shafting depreciation	1700	Store keeper wages	800	Belting renewals and repairs	700	Advertisement	2500	Worker salaries	5400	Director fees	3000	Audit fees	2000	Office salaries and exp	2900	Postages and stationary	2600	Drivers wages and other distbn expenses	12000	CO2	PO4 PO11	<b>12</b>
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	b)	Explain different elements of costing.	CO2	PO2	<b>08</b>																																														
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6	a)	<p>From the data relating to manufacturing of the standard product during the month of September 95. Prepare a statement showing the cost and the profit per unit.</p> <p>Raw material – 40000 Direct wages- 24000 m/c hour worked- 9500 hrs m/c hour rate –Rs4/hr office overhead- 20% on work cost selling overhead – Rs 1 per unit</p>	CO2	PO2	<b>10</b>																																														

		unit produced- 20000 units sold 18000 @Rs 10/unit																					
	b)	From the standard cost sheet, the following info is obtained for one unit of product A is equivalent two standard hrs at the rate of Re 1. per hour for grade A work men. During a particular week 1200hrs were actually worked by a grade A workmen producing 500 units , the actual rate /hr is Rs 0.9. Calculate the wage variances and present it in tabular form.	CO2	PO4 PO11	10																		
		<b>UNIT - IV</b>																					
7	a)	Explain the need for working capital.	CO2	PO2	05																		
	b)	<p>Performa of a cost provides following information:</p> <p>LEVEL OF ACTIVITY = 5500 UNITS/YEAR RM = Rs10/UNIT DL = 4 OH = 6 TC = 20 PROFIT = 5 SP = 25</p> <ol style="list-style-type: none"> <li>1. RM are in stock = 1 month</li> <li>2. Material is in process = <math>\frac{1}{2}</math> month</li> <li>3. F.G.I = 6 weeks</li> <li>4. Credit allowed by creditors = 1 month</li> <li>5. Credit allowed by debtors = 2 months</li> <li>6. Lag in payment wages = <math>1 \frac{1}{2}</math> weeks = 10 days</li> <li>7. Cash in hand and @ bank = 7500</li> </ol>	CO2	PO4 PO11	15																		
		<b>OR</b>																					
8	a)	Explain operating cycle and cash cycle.	CO2	PO2	10																		
	b)	<p>The following information is available for Pioneer Company. What is the duration of the cash cycle (Dcc)?</p> <table border="1"> <tr> <td>Average stock of raw materials &amp; stores</td> <td>400</td> </tr> <tr> <td>Average work in process inventory</td> <td>500</td> </tr> <tr> <td>Average finished goods inventory</td> <td>350</td> </tr> <tr> <td>Average accounts receivable</td> <td>400</td> </tr> <tr> <td>Average accounts payable</td> <td>250</td> </tr> <tr> <td>Average raw materials &amp; stores consumed per day</td> <td>20</td> </tr> <tr> <td>Average work in process value of raw materials committed per day</td> <td>25</td> </tr> <tr> <td>Average cost of goods sold per day</td> <td>35</td> </tr> <tr> <td>Average sales per day</td> <td>40</td> </tr> </table>	Average stock of raw materials & stores	400	Average work in process inventory	500	Average finished goods inventory	350	Average accounts receivable	400	Average accounts payable	250	Average raw materials & stores consumed per day	20	Average work in process value of raw materials committed per day	25	Average cost of goods sold per day	35	Average sales per day	40	CO2	PO4 PO11	10
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		<b>UNIT - V</b>																					
9	a)	What is budgeting? Explain its advantages and disadvantages.	CO2	PO2	10																		
	b)	Prepare a purchase budget for the following particulars when the estimated price/kg of materials is X Rs = 2, Y Rs = 3, and Z Rs = 4.	CO2	PO4 PO11	10																		

		<table border="1"> <thead> <tr> <th>Material</th><th colspan="3">Estimated consumption of material in kg</th></tr> </thead> <tbody> <tr> <td>X</td><td>100000</td><td></td><td></td></tr> <tr> <td>Y</td><td>200000</td><td></td><td></td></tr> <tr> <td>Z</td><td>250000</td><td></td><td></td></tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Material</th><th>Stock in the beginning</th><th>Estimated stock at the end</th></tr> </thead> <tbody> <tr> <td>X</td><td>30000</td><td>15000</td></tr> <tr> <td>Y</td><td>40000</td><td>20000</td></tr> <tr> <td>Z</td><td>45000</td><td>50000</td></tr> </tbody> </table>	Material	Estimated consumption of material in kg			X	100000			Y	200000			Z	250000			Material	Stock in the beginning	Estimated stock at the end	X	30000	15000	Y	40000	20000	Z	45000	50000										
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10	a)	<p>Little field Co. manufacture product C and G. during January it expects to sell 5000 kg of C and 20,000 kg of G at Rs.20/- and Rs.10/- respectively. Direct materials A, B &amp; E are mixed equal proportion to produce product C. Material D, B &amp; E are mixed in the proportion of 5:3:2 to produce product G. There is no loss in weight in production. Actual and budgeted inventory in the quantities &amp; the cost for the month are as follow:</p> <table border="1"> <thead> <tr> <th>Material</th> <th>Opening inventory in kgs</th> <th>Desired closing inventory in kgs</th> <th>Anticipated cost in Rs/kg</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>1,500</td> <td>1,000</td> <td>5.5</td> </tr> <tr> <td>B</td> <td>1,000</td> <td>2,000</td> <td>5</td> </tr> <tr> <td>D</td> <td>10,000</td> <td>3,000</td> <td>1</td> </tr> <tr> <td>E</td> <td>5,000</td> <td>6,000</td> <td>3.5</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Product</th> <th>Opening inventory in kgs</th> <th>Closing inventory in kgs</th> </tr> </thead> <tbody> <tr> <td>C</td> <td>1,000</td> <td>500</td> </tr> <tr> <td>G</td> <td>5,000</td> <td>6,000</td> </tr> </tbody> </table> <p>a) You are required to prepare a production budget The material purchased budget indicating the expenditure of material for the month of January</p>	Material	Opening inventory in kgs	Desired closing inventory in kgs	Anticipated cost in Rs/kg	A	1,500	1,000	5.5	B	1,000	2,000	5	D	10,000	3,000	1	E	5,000	6,000	3.5	Product	Opening inventory in kgs	Closing inventory in kgs	C	1,000	500	G	5,000	6,000	CO2	PO4 PO11	<b>10</b>						
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	b)	<p>From the following expenses regarding S&amp;D of ABC co ltd in last budgeted period you are required to prepare a S&amp;D exp budget for the period. Expenses are as follows:</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>West Bengal</th> <th>Bihar</th> <th>Assam</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Commission on sales</td> <td>8000</td> <td>12000</td> <td>16000</td> <td>36000</td> </tr> <tr> <td>Salaries</td> <td>6000</td> <td>8000</td> <td>10000</td> <td>24000</td> </tr> <tr> <td>selling expenses</td> <td>3000</td> <td>2000</td> <td>1000</td> <td>6000</td> </tr> <tr> <td>Advertisement</td> <td>4000</td> <td>5000</td> <td>6000</td> <td>15000</td> </tr> <tr> <td>Rent &amp; taxes</td> <td>2000</td> <td>4000</td> <td>3000</td> <td>9000</td> </tr> <tr> <td>Warehouse expenses</td> <td>5000</td> <td>5000</td> <td>6000</td> <td>16000</td> </tr> </tbody> </table> <p>During the budgeted period the following changes are to be made</p> <p>a) Commission on sales will be increased by 5% in all states b) Salaries will increase by Rs.2000, Rs.3000, Rs.4000 for W.B ,Bihar, Assam respectively c) Rent will be increased by 5% in all states d) Warehouse exp will increase by 1% in W.B &amp; Bihar e) In Assam advt exp will increase by Rs2000 f) Selling exp will increase by 10% in WB and Bihar</p>	Particulars	West Bengal	Bihar	Assam	Total	Commission on sales	8000	12000	16000	36000	Salaries	6000	8000	10000	24000	selling expenses	3000	2000	1000	6000	Advertisement	4000	5000	6000	15000	Rent & taxes	2000	4000	3000	9000	Warehouse expenses	5000	5000	6000	16000	CO2	PO4 PO11	<b>10</b>
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