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: Mechanical Engineering   **Duration: 3 hrs.**

Course Code: 23ME6PEFMA / 22ME6PEFMA   **Max Marks: 100**

Course: Financial Management and Accounting

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

				CO	PO	Marks
			UNIT - I	*CO*	*PO*	**Marks**
1	a)		Explain the different types of organization for any business.	*CO1*	*PO1*	**10**
	b)		Star computers has forecasted the returns on its share with the following probabilities. Determine the expected returns, variance and standard deviation of the returns.	*CO1*	*PO1* *PO2*	**05**
	c)		The following are the returns on the share of reliable company for past five years. Calculate the average rate of return for five years, along with std. deviation and variance.	*CO1*	*PO1* *PO2*	**05**
			OR			
2	a)		Explain the different types of risks involved in any business firm.	*CO1*	*PO1*	**10**
	b)		For the following two asset portfolio, determine the std. deviation and variance of the portfolio.	*CO1*	*PO1* *PO2*	**10**
			UNIT - II			
3	a)		Explain the factors affecting the working capital for any enterprise.	*CO2*	*PO1*	**10**

Question 1 b) table:

Ret	-20	-10	-5	5	10	18	20	30
Prob	0.05	0.05	0.1	0.1	0.15	0.25	0.25	0.05

Question 1 c) table:

Years	1	2	3	4	5
Ret (%)	5.3	15.3	-7.6	15	19.8

Question 2 b) table:

State of economy	Prob	X	Y
A	0.1	-8	14
B	0.2	10	-4
C	0.4	8	6
D	0.2	5	15
E	0.1	-4	20

		b)	Determine the operating cycle with the following data
			
			   i. R/M Conversion period
			      a) R/M Consumption=4349
			      b) R/M consumption/day=12.1
			      c) R/M inventory=827
			      d) R/M inventory holding days=68 days
			  ii. WIP conversion period
			      a) Cost of production=5212
			      b) Cost of production/day=14.5
			      c) WIP inventory=325
			      d) WIP holding days=22 days
			 iii. Finished goods conversion period
			      a) Cost of goods sold=5003
			      b) Cost of goods sold/day=13.9
			      c) Finished goods inventory=526
			      d) Finished goods inventory holding days=38 days
			  iv. Collection period
			      a) Credit sales=6087
			      b) Sales per day=16.9
			      c) Debtors=735
			      d) Debtors outstanding days=43 days
			   v. Creditor's deferral period
			      a) Credit purchase=4653
			      b) Purchase/day=12.9
			      c) Creditors=454
			      d) Creditors outstanding days=35 days
				CO2	PO1
					PO2
						10

			OR			
4	a)		Explain the advantages and disadvantages of ordinary equity shares.	CO3	PO1	**08**
	b)		Explain the CRISIL credit rating.	CO3	PO1	**08**
	c)		Explain the limitations of debentures in India.	CO3	PO1	**04**
			UNIT - III			
5	a)		Differentiate between Book keeping and Accounting.	CO4	PO1	**06**
	b)		From the following data, prepare trading account, P&L account, along with balance sheet. Opening stock=750 Purchases=1490 Returns inwards=40 Duty on imports=260 Carriage on purchase=140 Carriage on sales=200 Office salary=240 Drawings=400 Rent paid=180 General insurance=150	CO4	PO1 PO2	**14**

			Bank balance=300 Cash in hand=100 Sundry debtors=1000 Buildings=2000 Machinery=1000 Bills receivables=250 Depreciation=200 Horses & carts=150 Interest=90 Discount=10 Capital=2625 Returns outwards=45 Sales=3810 Commission earned=200 Bills payable=1500 Sundry creditors=770 The closing stock was valued at 985/- and the rent but not paid is 30/-.			
			OR			
6	a)		Differentiate between single and double entry system of accounting.	*CO4*	*PO1*	**06**
	b)		Explain the different types of accounts used with suitable example.	*CO4*	*PO1*	**06**
	c)		What are the objectives of trial balance? Tabulate suitable proforma of trial balance.	*CO4*	*PO1*	**08**
			UNIT - IV			
7	a)		Calculate the total MCV, MPV, and MUC for material X and Y which is required to produce one unit of product A.	*CO5*	*PO1* *PO2*	**08**

Material	Std. Qty. (kg)	Std. price (Rs. /kg)	Act. Qty. (kg)	Act. Price (Rs. /kg)
X	10	4	12	3.75
Y	15	5	18	4.5

	b)		Define expenses for any firm. How are they classified?	*CO5*	*PO1*	**06**
	c)		Draw the Flowchart for total cost including all direct and indirect expenses.	*CO5*	*PO1*	**06**
			OR			
8	a)		Define 'cost' for any manufacturing firm. How is it classified? Explain in detail with suitable examples for each.	*CO5*	*PO1*	**10**
	b)		Explain the concept of job costing in detail. Enlist fundamental components in it. Also explain three major documents used.	*CO5*	*PO1*	**10**

			UNIT - V			
9	a)		Explain share split and bonus shares features in Indian stock market.	*CO6*	*PO1*	**10**
	b)		What is legal procedural for dividends in India?	*CO6*	*PO1*	**05**
	c)		Explain the concept of stock repurchase.	*CO6*	*PO1*	**05**
			OR			
10	a)		Mention the assumptions of MM hypothesis and Walter model.	*CO6*	*PO1*	**10**
	b)		What is dividend payout ratio?	*CO6*	*PO1*	**05**
	c)		What are tax aspects in dividend payout?	*CO6*	*PO1*	**05**

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