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Question Paper Code: 97C02

B.E./B.Tech. DEGREE EXAMINATION, APRIL 2024

Seventh Semester

Computer Science and Business Systems

19UCB702- FINANCIAL AND COST ACCOUNTING

(Regulations 2019)

Duration: Three hours

Maximum: 100 Marks

Answer ALL Questions

PART A - (10 x 1 = 10 Marks)

1. GAAPs are: CO1-U
 - (a) Generally Accepted Accounting Policies
 - (b) Generally Accepted Accounting Principles
 - (c) Generally Accepted Accounting Provisions
 - (d) None of these

2. Prepaid expenses are shown as an asset due to: CO1-U
 - (a) Money measurement concept
 - (b) Business entity concept
 - (c) Going concern concept
 - (d) Matching concept

3. The process of transferring the debit and credit items from journal to ledger accounts is called CO1-U
 - (a) Casting
 - (b) Posting
 - (c) Journalizing
 - (d) Balancing

4. Accounting equation is formed based on the accounting principle of CO1-U
 - (a) Dual aspect
 - (b) Consistency
 - (c) Going concern
 - (d) Accrual

5. The financial statements do not exhibit CO1-U
 - (a) Non-monetary data
 - (b) Past data
 - (c) Short term data
 - (d) Long term data

6. Cash flow Statement is useful for _____ financial analysis CO1-U
 - (a) Long term
 - (b) Short term
 - (c) 5 Years
 - (d) none of the above

7. The total of all direct expenses is known as ___ cost CO1-U
 (a) Prime (b) Past (c) Short term (d) period
8. When actual loss in a process is less than the anticipated loss, the difference between the two is considered to be ____ CO1-U
 (a) abnormal gain (b) Consistency (c) supply (d) outflow
9. A company cannot issue redeemable preference shares for a period exceeding CO1-U
 (a) 20 years (b) 5 years (c) 10 years (d) 15 years
10. Preference shares carry a fixed rate of dividend which is to be paid before CO1-U
 (a) Distribution of equity dividends (c) supply of shares
 (b) Payment of income tax (d) Payment of debenture interest

PART – B (5 x 2= 10 Marks)

11. What is the basic purpose of matching concept? CO1-U
12. Differences between trial balance and balance sheet. CO1-U
13. When is trend analysis preferred to other tools? CO1-U
14. Write any two distinguish between direct and indirect cost CO1-U
15. What is meant by issue of shares for consideration other than cash? CO1-U

PART – C (5 x 16= 80Marks)

16. (a) "Revenue is recognized when a sales transaction is made or when services are rendered." State three exceptions to this general rule. CO1-U (16)
 Or
 (b) The focus of the accounting is business enterprise for which the accounts are maintained and not its proprietors." Do you agree with this statement? Explain it. CO1-U (16)
17. (a) Explain the following terms: CO1-U (16)
 (1)Business Transactions; (ii) expenses (iii) Equity; (iv) Assets; (v) Net Worth; (vi) Losses and (vii) Revenue
 Or
 (b) Explain the Objectives of Accounting. CO1-U (16)

18. (a) From the following particulars, prepare comparative income statement of Daniel Ltd. CO2-AP (16)

Particulars	2021-22	2022-23
Revenue from operations	40,000	50,000
Operating expenses	25,000	27,500
Income tax (% of the profit before tax)	30	30

Or

- (b) Prepare common-size income statement for the following particulars of Sam Ltd. CO2-AP (16)

Particulars	2020-21	2021-22
	Amount	Amount
Revenue from operations	4,00,000	5,00,000
Other income	80,000	50,000
Expenses	2,40,000	2,50,000
Income tax	30%	30%

19. (a) Prepare a chart showing different elements of cost and explain each of them. CO1-U (16)

Or

- (b) What are the advantages and weaknesses of job order cost accounting? CO1-U (16)

20. (a) Show the following items in the balance sheet as per the provisions of the Companies Act, 2013 in Schedule III: CO2-AP (16)
- Preliminary Expenses 2,40,000
 - Good will 30,000
 - Discount on issue of shares 20,000
 - Loose tools 12,000
 - 10% Debentures 2,00,000
 - Motor Vehicles 4,75,000
 - Stock in Trade 1,40,000
 - Provision for tax 16,000
 - Cash at bank 1,35,000
 - Bills receivable 1,20,000

Or

- (b) In respect of a factory the following figures have been obtained for the year 2023: CO2-AP (16)
- Cost of material Rs. 6,00,000; Direct wages Rs. 5,00,000; Factory overheads Rs. 3,00,000; Administrative overheads Rs. 3,36,000; Selling overheads Rs. 2,24,000; Distribution overheads Rs. 1,40,000 and Profit Rs. 4,20,000.
- A work order has been executed in 2023 and the following expenses have been incurred:
- Materials Rs. 8,000 and wages Rs. 5,000.
- Assuming that in 2023 the rate of factory overheads has increased by 20%, distribution overheads have gone down by 10% and selling and administration overheads have each gone up by 12%, at what price should the product be sold so as to earn the same rate of profit on the selling price as in 2023 ?