

## EXTERNAL EXAMINATION (75 MARKS)

## BUSINESS COMMUNICATION

**Q.1) (A) Match the column: (any 8) (8)**

- |                              |  |
|------------------------------|--|
| 1) Encoding                  | a) Mass communication                    |
| 2) Blogs with Photos         | b) Needs mental discipline               |
| 3) Kinesics                  | c) Introduces the sender to the receiver |
| 4) Hierarchy                 | d) Levels of Authority and Power         |
| 5) Semantic barriers         | e) Providing Lip service                 |
| 6) Fake listening            | f) Involves the use of common symbols    |
| 7) Good listening            | g) Photo Blog                            |
| 8) Letterhead                | h) Body Language                         |
| 9) Post script               | i) Related to Language                   |
| 10) Address to a large group | j) Extension of the body of the letter   |

**Q.1) (B) State whether the following statements are true or false: (any 7) (7)**

1. Jobs may be advertised through websites, but applications should never be sent through e-mail.
2. Use of jargon shows command over language.
3. Listening enables understanding of a message.
4. A communication gap can be created due to a psychological barrier to communication.
5. A virus protection software scans incoming mails.
6. The Inside Address is a compulsory part of a business letter.
7. Grapevine is a formal channel of communication.
8. Communication by touch is a type of non-verbal communication.
9. E-mail is a slow means of communication.
10. Communication should result in an understanding response.

**Q.2) (a) Define communication and explain its process with a labelled diagram (7)**

**(b) List any five advantages and disadvantages of Written communication (8)**

**OR**

**Q.2) (c) Discuss and Explain in detail Vertical Communication (7)**

**(d) List any five advantages and disadvantages of Oral communication (8)**

**Q.3) (a) Explain the term business ethics with special reference to Corporate Social Responsibility (15)**

**OR**

(b) Learn and explain any five Psychological Barriers to communication and explain how they can be overcome. (15)

Q.4) (a) A leading multi-national company requires Management Trainees for its newly opened branch at Mumbai. The candidate should be a post-graduate with a minimum of 2 years work experience and should have excellent communication skills.

Apply with Curriculum Vitae to P.O. Box No. 123, The times of India, Mumbai. Use the complete block layout. (10)

(b) You have received an offer for the position of a senior sales executive at U Foam Mattresses. Write a letter of Job acceptance. Use the modified Block Layout. (5)

**OR**

(c) Draft a letter application with Curriculum Vitae for the post of a Company Secretary at a Fair Cosmetic Company Private Limited. Use the Complete Block Layout. (10)

(d) After a commendable service as a Personal Secretary for the past 10 years, you have decided to quit your job due to unavoidable domestic circumstances. (5)

**Q.5) Write a short notes on the following: (any 3) (15)**

- a) Feedback
- b) Education as an Objective of Communication
- c) The importance of Listening
- d) Inside address and Salutation
- e) Communication by Touch

## EXTERNAL EXAMINATION (75 MARKS)

## FINANCIAL MANAGEMENT

05/12/2022  
(8)

## Q.1) a) Fill in the blanks: (any eight)

1. The two main objectives of Financial Management are \_\_\_\_\_.
2. Present value is the current value of a \_\_\_\_\_ amount.
3. Sales - Variable Cost = \_\_\_\_\_.
4. \_\_\_\_\_ leverage is also known as trading on equity.
5. Fixed dividend is paid on \_\_\_\_\_ share capital.
6. \_\_\_\_\_ cost of capital is the cost of additional amount of capital which is raised by a firm for current/fixed capital market.
7. Under \_\_\_\_\_ facility given by bank; customers are allowed to withdraw in excess of credit balance standing in their Current Account.
8. In \_\_\_\_\_ interest, interest is earned on the earlier interest as well as on the original principal.
9. The price at which the debentures are currently sold or bought is called the \_\_\_\_\_ value.
10. If earning before tax is ₹ \_\_\_\_\_ and the tax rate is 20% then earning after the tax will be Rs. 1,60,000.

## Q.1) b) Match the column (any seven):

(7)

Column AColumn B

- |                                  |                                   |
|----------------------------------|-----------------------------------|
| 1) Equity share capital          | a) Affected by tax rate           |
| 2) Operating Leverage<br>Earning | b) Minimum required rate of       |
| 3) Capital structure             | c) No fixed dividend              |
| 4) Simple interest earned        | d) Par, Premium or Discount       |
| 5) Financial Leverage            | e) Can be secured or unsecured    |
| 6) Cost of Capital<br>finance    | f) Shows different sources of     |
| 7) Debentures can be issued at   | g) Money market instrument        |
| 8) Commercial Paper              | h) Affected by fixed cost         |
| 9) Loan taken                    | i) least costly source of finance |
| 10) Retained earnings            | j) on principal Amount            |

Q.2) (a) Mr. Rohan has following investments in two Bank I and II:

(8)

Particulars	Bank I	Bank II
Amount invested (Rs.)	1,20,000	6,00,000
Compounded rate of interest	10% p.a.	8% p.a.
Period	3 years	3 years

Calculate the Future value of investments at the end of the 3<sup>rd</sup> year.

Q.2) (b) Calculate the present value of annuity of Rs 10,000 received annually for five years when discounting factor is 10%

(7)

OR

Q.2) Find the present value of cash flow in following two cases:

(15)

Year	Cash flow (Rs)
1	10,000
2	15,000
3	18,000
4	14,000
5	12,000

Case I: Discount factor 10%

Case II: Discount factor 12%

PV Factor of ₹1.

Year	1	2	3	4	5
10%	0.909	0.826	0.751	0.683	0.621
12%	0.893	0.797	0.712	0.636	0.567

Q.3) Following are the details available of X Ltd.

(15)

Annual sales Rs 6, 00,000

Variable cost Rs 4,00,000

Fixed cost: Situation I Rs 50,000

Situation II Rs 80,000

Situation III Rs 1,00,000

The company has 10% debentures of Rs 1,00,000

Calculate the following in all three situations:

i) Operating leverage

ii) Financial leverage

iii) Combined leverage

OR

Q.3) Following are the details of two companies:

(15)

Particulars	Robot Ltd. (Rs)	Matrix Ltd (Rs)
Number of units sold p.a. (nos.)	60,000	70,000
Selling price per unit	30	40
Variable cost per unit	10	12
Fixed cost	2,00,000	3,00,000
The company has 12% debentures	1,00,000	1,50,000

Calculate:

- i) Operating leverage
- ii) financial leverage
- iii) combined leverage

Q.4) Company 'P' issues 12%, 2,000 debentures of ₹ 100 each and company 'Q' issues 15% Debentures of Rs 100 each.

(15)

The debentures are redeemable after 8 years. Both companies are in tax bracket of 30%. Calculate the cost of debt after tax for both companies if the debentures are issued at

- i) Par
- ii) 10% discount
- iii) 10% Premium

OR

Q.4) Following are the details of two Companies A and B

(15)

Sources of Finance	Company A		Company B	
	Amount (Rs)	After Tax Cost of Capital	Amount (Rs)	After Tax Cost of Capital
Equity share capital	3,00,000	15%	4,50,000	15%
Debentures	1,00,000	6.3%	3,50,000	7.5%
Retained earnings	1,20,000	11%	1,00,000	13%
Preference share capital	80,000	8%	1,00,000	11%

Calculate Weighted Average Cost of Capital of two Companies A and B

Q.5) (a) What do you mean by Financial Management? Give its importance

(8)

(b) Explain share capital as one of the sources of finance.

(7)

OR

Q.5) Write a short note on (any three):

(15)

- a) Cost of Capital
- b) Financial Leverage
- c) Concept of time value
- d) Retained earnings as a source of finance
- e) Wealth Maximisation

FYBAF *COM-I*  
**BUSINESS ENVIRONMENT (75 MARKS)**

*06/12/2022*

**Q1 (A) Match the Column ( Any 8 )**

**(8)**

Column A	Column B
1 Organic Objective	(a) Not allowed
2 Political Environment	(b) 100%
3 Demographic Environment	(c) Internal Growth Strategy
4 Generate Employment	(d) Survival
5 SEBI	(e) Investment upto 25 lakhs
6 Diversification	(f) Legislature, Executive & Judiciary
7 Investment in Micro Manufacturing Enterprises	(g) Investment upto 10 lakhs
8 Investment in Micro Services Enterprises	(h) Responsibility towards society
9 FDI in Telecom	(i) Clause 49
10 FDI in Gambling	(j) Age & Gender

**Q1 (b) State whether True Or False ( Any 7 )**

**(7)**

- 1 Corporate culture act as a comforting security blanket for employees in the organization .
- 2 PESTLE Analysis pinpoints shortcoming in the present set up of the company .
- 3 District forum entertains complaints upto rupees twenty lakhs .
- 4 Ecological degradation is the result of unplanned industrialisation .
- 5 World Environment is celebrated on 6th June every year .
- 6 Balance of trade is favorable when exports are less than imports .
- 7 FDI inflow is permitted in gambling and betting .
- 8 MNCs have helped but not harmed the developing countries .
- 9 Corporate Governance is socially useful.
- 10 Profit and Profiteering is one and the same.

**Q2 (A) Explain meaning & importance of business objectives .**

**(8)**

**(B) Discuss technological & legal environment in detail .**

**(7)**

OR

- Q2 (C) What is business ethics ? Discuss its main features . (8)  
(D) Explain the economic & psychological factors influencing entrepreneurial development (7)

- Q3 (A) Explain in detail Consumer Protection Council (8)  
(B) Enumerate the features of Consumer Protection Act 1986 (7)

OR

- Q3 (C) Explain in detail the responsibility towards different sections of the society (8)  
(D) Distinguish between social social audit and commercial audit (7)
- Q4 (A) State and explain the features of social audit (8)  
(B) Discuss briefly the benefits of social audit (7)

OR

- Q4 (C) Explain the dangers of MNCs to developing countries with reference to present scenario (8)  
(D) Explain role of WTO in economic development of developing countries (7)
- Q5 (A) Discuss objectives and functions of WTO (8)  
(B) explain positive implications of TRIMS in India (7)

OR

- Q5 Write short notes on :- (Any three) (15)
- 1 National objectives of business
  - 2 SWOT analysis
  - 3 Corporate Culture
  - 4 Carbon Credit
  - 5 Need of FDI

FYBAF – I

EXTERNAL EXAMINATION (75 MARKS)

BUSINESS ECONOMICS

07/12/2022

Q.1) (a) State whether the following statements are true or false: (any eight) (8)

1. Macroeconomics deals with the analysis of national income.
2. Expansion and contraction can be shown on the same demand curve.
3. Regression method forecasts demand accurately.
4. Cross elasticity of demand for substitutes is positive.
5. A technically efficient-production function indicate absence of wastage of resources.
6. External economies may occur due to division of labour.
7. Demand curve of a monopolistic is sloping upward from left to right.
8. Price is very flexible in oligopoly.
9. Dumping is known as international price discrimination.
10. Full cost pricing method has certain limitation.

Q.1 (b) Match the following terms:(any seven)

(7)

Column A

Column B

- |  |                                     |
|--|-------------------------------------|
| 1) Equations                           | a) Shut down points                 |
| 2) Negative income effect              | b) substitutes                      |
| 3) Demand forecasting                  | c) external economies               |
| 4) Positive cross elasticity of demand | d) Mathematically express functions |
| 5) Iso-cost line                       | e) Prof. Paul Sweezy                |
| 6) Localisation economies              | f) Inferior goods                   |
| 7) $TVR=TR$                            | g) Determined by government         |
| 8) Kinked demand curve                 | h) Survey method                    |
| 9) Administered pricing                | i) Cost incurred on additional unit |
| 10) Marginal cost pricing              | j) Budget line                      |
|  | k) Half and Hitch                   |
|  | l) Complementary                    |

Q.2) (a) Explain the different types of income elasticity of demand

(8)

(b) Describe in detail the different methods of demand forecasting

(7)

OR



Q.2) (c) The demand function for commodity wheat is given by  $Q_{dw}=100-5p_w$ . The price of wheat is given in the below table (8)

Price of wheat	Quantity demanded
2	90
4	80
6	70
8	60

Answer the following questions:

- 1) Calculate quantity of demand for wheat at given prices.
- 2) With the help of above demand schedule draw the demand curve.
- 3) Calculate price elasticity of demand when price changes from Rs 4 to Rs 8.

Q.2) (d) Explain the relationship between AR and MR curves under monopoly. (7)

Q.3) (a) Discuss the laws of returns to scale in detail. (8)

(b) Explain the various types of external economies of scale. (7)

OR

Q.3) (c) Given TFC as ₹ 150, calculate TC, ATC, AFC and MC from the information given below (8)

Units	1	2	3	4	5	6
TVC	35	60	80	110	160	230

(d) What is Break even point? Explain the business application of Break even analysis (7)

Q.4) (a) Explain long-run equilibrium of a firm under the monopolistic competitive market (8)

(b) Distinguish between perfect competition and monopoly. (7)

OR

Q.4) (c) What is perfect competition and what are its features? (8)

(d) What is price leadership? Explain the types of price leadership (7)

Q.5) (a) Define price discrimination. What are various forms of Price discrimination (8)

(b) What is multiproduct pricing? How is it done? (7)

OR

Q.5) (b) Write short notes on: (any 3) (15)

1. Production of possibility curve
2. Factors affecting demand
3. Promotional elasticity of demand
4. Types of production function
5. Cartel formation

- Instructions:** (a) All questions are compulsory and carry equal marks  
(b) Figures to the right indicate marks  
(c) Support answers with examples wherever necessary

**1.a) Fill in the blanks:(Any 8)****(08)**

1. The concept of Panchayati raj was propounded by \_\_\_\_\_.  
a) Mahatma Gandhi      b) Indira Gandhi      c) Rajiv Gandhi      d) Mahatma Phule
2. The holy book of Sikhs is \_\_\_\_\_.  
a) Bible      b) Quran      c) Guru Granth Sahib      d) Zend Avastha
3. Deficiency of vitamin \_\_\_\_ may cause blindness.  
a) A      b) Bc) C      d) D
- 4) Indian Constitution has adopted \_\_\_\_\_ democracy.  
a) Presidential      b) Parliamentary      c) Direct      d) None of these
- 5) Demand for son of soil is \_\_\_\_\_.  
a) regionalism      b) Casteism      c) communalism      d) Religionism
- 6) Article \_\_\_\_\_ of the constitution is against untouchability.  
a) 17      b) 14      c) 13      d) 15
- 7) Dowry harassment is a type of \_\_\_\_\_ violence against women.  
a) social      b) sexual      c) domestic      d) Political
- 8) The Constitution of India came into effect on \_\_\_\_\_.  
a) 26<sup>th</sup> Nov      b) 26<sup>th</sup> Dec      c) 26<sup>th</sup> Jan      d) 26<sup>th</sup> Aug
- 9) Lord Mahavir is the 24<sup>th</sup> Tirthankar of \_\_\_\_\_.  
a) Hinduism      b) Buddhism      c) Jainism      d) Islam
10. Caste system is a \_\_\_\_\_ phenomenon.  
a) Hereditary      b) traditional      c) Old      d) New

**1.b) State whether the following statements are True or False: (Any 7)****(07)**

1. The Indian Constitution is the shortest written constitution of the world.
2. Congress is an example of a regional party.
3. Christianity is the largest majority religion in India.
4. Raja Ram Mohan Roy opposed Sati system.

5. Anti-Hindi agitations took place in southern India.
6. Caste system brings about unity in Indian society.
7. Depression is caused due to mental stress.
8. Kerala has the worst gender ratio among the states of India.
9. Mayor is the first citizen of the city.
10. India is a secular state.

2. a) Explain the regional variations in India. (08)

b) India is a diverse country. Highlight the positive aspects? (07)

**OR**

c) What do you mean by social stratification. Explain Its characteristics & types. (08)

d) What are the factors responsible for declining sex ratio in India? (07)

3. a) Discuss the causes and consequences of communalism in India with examples.? (08)

b) What are the inequalities caused due to caste system. Suggest measures to solve it? (07)

**OR**

3. c) What are the basic features of Indian constitution? (08)

d) Define fundamental duties. Explain its significance. (07)

4. a) What are the challenges to women's political participation in India? Suggest measures to overcome? (08)

b) Discuss the evolution and disadvantages of a multi party system? (07)

**OR**

c) Explain tolerance and communal harmony as crucial values in Indian society. (08)

d) Discuss the constitutional 73<sup>rd</sup> Amendment Act 1992. (07)

5. a) Bring out the role and significance of women in Politics. (15)

**OR**

**Q. 5. Short Notes: (Any 3) (15)**

1. Rural characteristics
2. Different types violence against women
3. Mental retardation
4. Preamble
5. Caste Conflicts in India

\*\*\*\*\* ALL THE BEST\*\*\*\*\*

- N.B. 1. All the questions are compulsory  
 2. Figures to the right indicate full marks  
 3. Working notes should form a part of your answer.

Time: 2 hrs. 30 Mins.  
 75 Marks

09/12/2022

**Q.1 (a) Fill in the blanks with appropriate option and rewrite the sentence (any eight) (8)**

1. Specific identification method is a method for \_\_\_\_\_ of stock. (Verification / Valuation)
2. Lower of cost or NRV is an example of \_\_\_\_\_. (Consistency / Conservatism)
3. Accrued interest on investments appears on the \_\_\_\_\_ side of Trial Balance. (Debit / Credit)
4. Raw Material consumed is Rs. 50,000, opening stock is Rs. 2,000 and closing stock is Rs. 5,000. Hence purchases are \_\_\_\_\_. (Rs. 53,000 / Rs. 55,000)
5. Change in method of depreciation is to be done with \_\_\_\_\_ effect. (Prospective / Retrospective)
6. Carriage inwards paid for bringing machinery to factory is \_\_\_\_\_ expenditure. (Capital/ Revenue)
7. Depreciation on delivery van is debited to \_\_\_\_\_ account. (Manufacturing / Profit and Loss)
8. Electricity expenses are apportioned on the basis of \_\_\_\_\_. (No. of Light points / Horse power of equipment)
9. \_\_\_\_\_ is the purchase price payable if full payment is made immediately. (Hire Purchase Price / Cash Price)
10. \_\_\_\_\_ is not covered by AS-9. (Lease Rent / Dividend)

**Q.1 (b) Match the following and rewrite (any seven) (7)**

Column 'A'	Column 'B'
1. Substance over Form	(a) Current Assets
2. Revenue from Sales	(b) Initial Payment
3. Retail Method	(c) Current Liability
4. Wages paid to workers for Installation of Machinery	(d) Value of Asset
5. Purchase of Raw material	(e) No. of Workers
6. Cost of canteen	(f) AS - 1
7. Insurance of asset	(g) Revenue Recognition
8. Down Payment	(h) Capital Expenditure
9. Outstanding Salary	(i) AS -9
10. Cash at Bank	(j) AS - 2

**Q.2** From the Trial Balance of Mr. Gupta prepare Manufacturing, Trading and Profit and Loss Account for the year ended 31<sup>st</sup> March, 2022 and Balance Sheet as on that date. (15)

Particulars	Rs.	Particulars	Rs.
Purchase of Raw Material	3,15,000	Sales	5,00,000
Opening Stock		Provision for Bad debts	2,000
- Raw Material	32,000	Creditors	45,000
- Work in Progress	6,000	Bills Payable	46,000
- Finished Goods	20,000	Discount received	10,000
Carriage Inwards	3,000	Capital	1,05,000
Direct Labour	24,000		
Factory Rent	20,000		
Electricity	27,000		
Factory, Power & Fuel	21,000		
Office Salaries	24,000		
Selling & Distribution expenses	13,000		
Sundry debtors	49,000		
Discount Allowed	5,000		
Bad debts	2,000		
Drawings	15,000		
Machinery	95,000		
Delivery Van	32,000		
Cash at Bank	5,000		
	<u>7,08,000</u>		<u>7,08,000</u>

**Adjustments:**

- Closing stock : Raw Material Rs. 16,000, Work In Progress Rs. 10,000 and Finished Goods Rs. 28,000.
- Electricity is to be apportioned in the ratio of 2:1 to factory and office.
- Provide reserve for doubtful debts @ 10% on debtors.
- Depreciate machinery @ 5% p.a. and 20% p.a. on Delivery Van.
- Debtors include Rs. 7,000 due from Pratik which is not receivable.
- Outstanding factory rent Rs. 1,000.

**OR**

**Q.2.** From the following information provided to you by Mr. Arena Traders, prepare Departmental Trading And Profit and Loss Account and General Profit and Loss Account from the following information provided to you for the year ended 31<sup>st</sup> March, 2022. (15)

Particulars	Dept. P (Rs.)	Dept. Q (Rs.)	Dept. R (Rs.)	Common (Rs.)
Sales	20,000	40,000	60,000	-
Purchases	15,000	10,000	5,000	-
Salaries	5,000	8,000	9,000	-
Opening Stock	18,000	17,000	15,000	-
Closing Stock	20,000	21,000	20,500	-
Audit fess	-	-	-	4,000
Delivery Van Expenses	-	-	-	5,000
Commission Paid	-	-	-	3,500

Discount Received	-	-	-	3,800
Interest Paid	-	-	-	4,700
Travelling Expenses	-	-	-	4,700
Freight Inward	-	-	-	1,500
Octroi Duty	-	-	-	1,800
Printing And Stationery	-	-	-	2,400
Postage and Telegram	-	-	-	2,200
Telephone Charges	-	-	-	1,600
Power	-	-	-	5,400
Repairs to Machinery	-	-	-	9,000
Depreciation	-	-	-	6,000
Packing Expenses	-	-	-	3,000
Rent Paid	-	-	-	8,400

**Adjustments:**

1. Area Occupied by three departments P,Q and R in the ratio of 3:3:2.
2. Value of Machine used in Department P,Q and R is Rs. 40,000, Rs. 30,000 and Rs. 20,000 respectively.
3. Horse Power of Machinery used in Department P,Q and R is 300 HP, 200 HP and HP respectively.
4. Printing and Stationery to be allocated in the ratio 4:3:2.

**Q.3. State whether the following expenditure or receipts are capital or revenue. Give reasons for your answer. (15)**

1. Paid Rs. 2,00,000 as a Custom Duty on machinery purchased from USA.
2. Paid subscription charges Rs. 6,000 for Trade Journal.
3. Premium of Rs. 3,00,000 payable on redemption of Debentures.
4. Loss on sale of plant and machinery of Rs. 20,000.
5. Recovery of Bad Debts from Sarita of Rs. 5,000.
6. Amount of Rs. 50,000 received on sale of old furniture.
7. Sold of Equity shares (held as investment for Rs. 20,00,000 and suffered a loss of Rs. 20,000.)

**OR**

**Q.3.** On 1<sup>st</sup> January, 2022 Bharat Ltd. Purchased one tempo from Tempowala Ltd. Cash price of the tempo was Rs. 2,30,000. Down payment of Rs. 50,000 was made on that day. Remaining amount was to be paid in 3 annual installments of Rs. 60,000 each plus interest @ 10% on outstanding balance at the beginning of the year. The due date of annual installment was on 31<sup>st</sup> December, every year. Bharat Ltd. depreciated tempo in their books @ 10% p.a. on WDV method. (15)

You are required to prepare the following in the books of Bharat Ltd:

1. A statement showing calculation of interest
2. Tempo account
3. Tempowala account

**Q.4. (a)** Nitya Ltd. produces chemicals A. From the following data, calculate the value of closing stock:

Direct Materials	: Rs. 5 per unit
Direct Labour	: Rs. 2 per unit
Chargeable Expenses	: Rs. 3 per unit
Normal Capacity	: 12,000 p.a.
Actual Production	: 10,000 pa.
Fixed Production Overheads	: Rs. 60,000 p.a.

The company has 2,000 units of closing stock at the end of the year. (8)

**Q.4 (b)** Zara Ltd. accounting year ends on 30-6-2022. The stock taking was done on 25-6-2022 which was 86,000. The following transactions took place between 25-6-2022 and 30-06-2022.

1. Purchase from 25-6-2022 to 30-6-2022 was Rs. 4,800.
2. Sales was Rs. 12,000 and sales return was Rs. 3,000.
3. Purchase return was Rs. 900.
4. Stock at cost lying with customers on approval Rs. 10,000.
5. Gross Profit is 20% on selling price. (7)

**OR**

**Q.4.** Prepare stock ledger of Vasundhara by FIFO method for the month of February 2022. (15)

**Purchases:**

Date	Units	Rate in Rs.
1/2/2022(Opening stock)	5,000	10
5/2/2022	3,500	11
10/2/2022	4,600	9
15/2/2022	4,200	12
25/2/2022	3,700	11

**Issues:**

Date	Units
3/2/2022	4,000
9/2/2022	3,800
14/2/2022	3,500
18/2/2022	3,900
27/2/2022	3,300

**Q.5. (a)** Explain the concepts, benefits and limitations of Accounting Standards. (8)

(b) What are the contents of Hire Purchase Agreement? (7)

**OR**

**Q.5. Write short notes (any three)** (15)

- a) Distinguish between Periodic and Perpetual System
- b) Advantages of Departmental Accounting
- c) Features of AS-9
- d) Manufacturing Account
- e) Disclosure requirements as per AS-1

\*\*\*\*\* ALL THE BEST \*\*\*\*\*

- N.B.** 1. All the questions are compulsory  
2. Figures to the right indicate full marks  
3. Working notes should form a part of your answer.

**Time: 2 hrs. 30 Mins.**  
**75 Marks**

**Q.1 (a) State whether the following statements are True or False and rewrite the sentence (any eight) (8)**

1. Cost accounting provides only historical data.
2. Materials not forming part of the finished product are known as indirect materials.
3. Stores ledger is maintained by store keeper.
4. Material control is application of the controlling function to the area of material management.
5. The term inventory includes loose tools.
6. Cost Accounting is a branch of Financial Accounting.
7. FIFO method of pricing material issue results in higher profit.
8. Labour turnover is the movement of people out of the organization.
9. Pre-determined overhead rates are used only in standard costing system.
10. Waste can be realized but scrap cannot be realized.

**Q.1 (b) Fill in the blanks with appropriate option and rewrite the sentence (any seven) (7)**

1. A material loss during production or storage due to evaporation or shrinkage is called \_\_\_\_\_. (Scrap / waste / spoilage / material loss)
2. The difference between hours paid an hours worked is called \_\_\_\_\_. (normal time / time saved / standard time / idle time)
3. Rent paid for the factory building which is temporarily closed is example of \_\_\_\_\_. (Imputed cost / sunk cost / Opportunity cost / Historical cost)
4. The model and formula of Economic Order Quantity was developed by \_\_\_\_\_ in 1913. ( F. W. Taylor / F. Wilson Harris / F. Walter Harris / F. M. Marshall)
5. The process by which cost items are charged to a cost unit or cost centre is called \_\_\_\_\_. (absorption / apportionment / allocation / allotment)
6. \_\_\_\_\_ is not a costing system. (marginal costing / uniform costing / absorption costing / process costing)
7. The cost which remains constant irrespective of output upto capacity limit is \_\_\_\_\_. (Fixed cost / product cost / variable cost / sunk cost)
8. Sugar used in a ice-cream is \_\_\_\_\_. (indirect cost / direct cost / total cost / non-cash cost)
9. The cost of wood in a chair is \_\_\_\_\_. (Marginal cost / direct material / variable cost / all of these )
10. The method under which service centre overheads are distributed to production department only is \_\_\_\_\_. (primary distribution / secondary distribution / apportionment / none of these)



**Q.2 (a)** Calculate EOQ from the following information. Also state the number of orders to be placed a year. (8)

Consumption of material per annum – 10,000 kgs

Order placing cost per order – Rs 50

Storage cost 8% on average inventory

Cost per kg of raw materials – Rs 2

**Q.2 (b)** The following information is available: (7)

Particulars	Rs.
Normal consumption (in units)	8,000
Minimum consumption (in units)	4,000
Maximum consumption (in units)	12,000
Re-order quantity (in units)	48,000
Re-order period (in months)	4 to 6
Emergency purchase period (in months)	2

Calculate for each component:

1. Re-ordering level
2. Minimum level
3. Maximum level
4. Average stock level
5. Danger Level

**OR**

**Q.2.** Keep stock record on Weighted Average basis from the following transactions (15)

**Purchases: March 2022**

Date	Units	Rate per unit (Rs.)
01	500	18
04	700	20
09	900	18
15	300	25
25	200	20
31	500	25

**Sales: March 2022**

02	200	22
07	500	25
11	400	21
18	800	28
27	500	25

Find out cost of goods sold and the profit.

**Q.3. (a)** Calculate the earnings of a worker under Halsey Premium plan and Rowan Premium plan for executing a piece of work in 60 hours against 75 hours allowed. His hourly rate is 25 paise per hour and under Halsey system he is to be paid a bonus of 50% on time saved. In addition he gets a dearness allowance of Re. 1 per day of 8 hours work. (8)

**Q.3. (b)** Standard output – 40 units

Time rate – Rs. 2 per hour

Piece rate – Rs. 2.5 per unit

High piece rate – Rs. 3 per unit

Standard hours in a week – 50 hours

The production details of different workers are given below:

A	32 units
B	38 units
C	40 units
D	43 units
E	45 units

Compute the earnings of workers under Gantt's task Bonus Plan.

(7)

**OR**

**Q.3.** Ambar Ltd. has five departments: P, N, R are production and S and T are service departments. The actual cost for a period are as follows:

	Rs.
Repairs	35,000
Rent	25,000
Depreciation	42,000
Supervision	40,000
Insurance	16,000
Light	18,000
Employer's Liability of employees' insurance	6,000

The following information is also available in respect of the five departments:

Particulars	Production Departments			Service Departments	
	P	N	R	S	T
Area (sq. ft.)	1,400	1,200	1,100	900	400
No. of workers	250	300	100	100	50
Total wages	1,00,000	80,000	50,000	50,000	20,000
Value of plant	2,00,000	1,80,000	1,60,000	1,00,000	60,000
No. of light points	50	40	35	30	25
Value of stock	1,50,000	1,00,000	50,000	20,000	---

Prepare a statement showing Primary Distribution of Overheads.

(15)

**Q.4. (a)** From the following data prepare a statement showing the cost per day of 8 hours of engaging a particular type of labour:

(7)

- Monthly salary (basic + dearness allowance) – Rs. 200
- Leave salary payable to the workman – 5% of salary
- Employer's contribution to P.F. – 8% of salary [item (a) and (b)]
- Employer's contribution to State Insurance – 2.5 % of salary [item (a) and (b)]
- Expenditure on amenities – Rs. 17.95 per head per month
- No. of working hours in a month – 200

**Q.4 (b)** A manufacturing concern has three production departments and two service departments. In July 2022, the departmental expenses were as follows:

Production Departments	Rs.
A	16,000
B	13,000
C	14,000
Service Departments	Rs.
X	4,000
Y	6,000

Expenses of service departments X and Y are apportioned as under:

Particulars	A	B	C	X	Y
Expenses of Department X	20%	25%	35%	-	20%
Expenses of Department Y	25%	25%	40%	10%	-

Prepare a statement of secondary distribution under repeated distribution method. (8)

**OR**

<b>Q.4</b> Compute the machine hour rate from the following data:	Rs.
Cost of machine	1,00,000
Installation charges	10,000
Estimated scrap value after the expiry of its life (15 years)	5,000
Rent and rates for the shop per month	200
General Lighting for the shop per annum	300
Insurance premium for the machine per annum	960
Repairs and maintenance expenses per annum	1,000
Power consumption – 10 units per hour	--
Rate of power per 100 units	20
Estimated working hours per annum – 2,200	--
(This includes non-productive setting up time of 200 hrs)	
Shop supervisor's salary per month	600
The machine occupies 1/4 <sup>th</sup> of the total area of the shop. The supervisor is expected to devote 1/5 <sup>th</sup> of his time for supervising the machine.	(15)

**Q.5. Answer the following**

- (a) Explain cost structure. (8)
- (b) Distinguish between allocation, apportionment and absorption of overheads. (7)

**OR**

**Q.5. Write short notes (any three) (15)**

- Relationship between Cost Department with Other Department
- Piece Rate System
- Merrick Incentive Plan
- Absorption of Overhead
- Objectives of Cost accounting.

\*\*\*\*\* ALL THE BEST \*\*\*\*\*