

**B. Tech. Sem - VIII (Production Engg.) (2014 COURSE) (CBCS) :
SUMMER - 2019**

SUBJECT: FINANCIAL MANAGEMENT & COST CONTROL

Day: Tuesday
Date: 28/05/2019

S-2019-2926

Time: 02.30 PM TO 05.30 PM
Max Marks : 60

N.B. :

- 1) All questions are **COMPULSORY**.
- 2) Figures to the right indicate **FULL** marks.
- 3) Assume suitable data, if necessary.
- 4) Use of non-programmable calculator is allowed.

Q.1 Discuss the scope and objectives of finance function. **(10)**

OR

Q.1 You have been finished with the financial information of Aditya mills limited **(10)**
as under:

Balance sheet as on 31st December 2014

Liabilities	Rs.	Assets	Rs.
Equity share capital	10,00,000	Plant and equipment	6,40,000
(Rs. 100 each)	3,68,000	land and building	80,000
(retailed earnings	1,04,000	cash	1,60,000
Sunday Creditors	2,00,000	Sunday debtors 360,000	
Bills payaher	20,000	(-) allowance 40,000	4,80,000
Other current liabilities		Stock Insurance prepaid	12,000
	16,92,000		16,92,000

Statement of profit for the year ended December 31, 2014

Sales	40,00,000
(-) Cost of goods sold	30,80,000
Gross profit on sales	9,20,000
(-) Operating expenses	6,80,000
Net profit	2,40,000
(-) Taxes @ 50%	1,20,000
Net profit after taxes	1,20,000

Sunday debtors and stock at etc. beginning of the year who Rs. 3,00,000 and Rs.4,00,000 respectively

Determine the following ratio.

- i) Current ratio
- ii) Acid text ratio
- iii) Stock turnover
- iv) Gross profit ratio
- v) Net profit ratio

Q.2 Describe the discounted cash flow techniques of capital budgeting. **(10)**

OR

Q.2 Explain in detail the traditional methods of capital budgeting state its **(10)**
advantages and limitations.

Q.3 Describe in detail the various factor affecting working capital requirements. **(10)**

OR

Q.3 Explain in detail the cash flow statement. Also discuss the features and **(10)**
objectives of cash flow statement.

P.T.O.

- Q.4** How are material costs, labour costs and overheads accounted for in job costing? (10)

OR

- Q.4** Following information has been extracted from costing records of Shree Ganesh engineering works in respect of job No. 101. (10)

Materials Rs. 5,800

Wages:

Department A 100 hours @ Rs. 5 per hour

Department B 200 hours @ Rs 3 per hour

Overheads for the two departments are estimated as follows

Variable overheads

Department A Rs. 10,000 for 5000 direct labour hour

Department B Rs. 30,000 for 10,000 direct labour hour

Fixed overheads: Estimated at Rs. 50,000 for 50,000 normal working hours.

Calculate the cost of job No.101 and calculate the price to be charged so as to give a profit of 20% on selling price.

- Q.5** Discuss in detail the objectives, advantages and limitations of standard costing. (10)

OR

- Q.5** Calculate labour cost various from the following information. (10)

	Standard	Actual
Output	100 units	200 units
Labour hours required per unit of output	2 hours per unit	3 hours per unit
Rate	Rs.4 per hours	Rs. 3 per hours

- Q.6** Discuss in detail the methods of apportionment of overheads. (10)

OR

- Q.6** The following information relates to the activities of production department of a factory for a month. (10)

Direct material consumed	Rs. 1,80,000
Direct wages	Rs. 1,50,000
Factory overheads chargeable to the department	Rs. 1,26,000
Labour hours	12,000 hours
Machine hours worked	10,000 hours

The relevant data relating to one order carried out in the department during the period are as given ahead

Material consumed	Rs. 30,000
Direct wages	Rs. 24,750
Labour hour worked	Rs. 1,650
Machine hours worked	12,000 hours

Compute factory overhead Rates of recovery and the amount of overhead. Chargeable to the order by the following methods.

- Direct material cost percentage
- Direct labour cost percentage
- Labour hour rate
- Machine hour rate

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