# CS /BBA (H) (SUPPLE)/SEM-5/BBA-501/09 FINANCIAL MANAGEMENT-II (SEMESTER - 5 ) 

1. 

Signature of Invigilator
2.

Signature of the Officer-in-Charge


Reg. No.


Roll No. of the Candidate


CS /BBA (H) (SUPPLE)/SEM-5/BBA-501/09

## ENGINEERING \& MANAGEMENT EXAMINATIONS, AUGUST - 2009 FINANCIAL MANAGEMENT-II (SEMESTER - 5)

Time : 3 Hours ]
[ Full Marks : 70

## INSTRUCTIONS TO THE CANDIDATES :

1. This Booklet is a Question-cum-Answer Booklet. The Booklet consists of $\mathbf{3 2}$ pages. The questions of this concerned subject commence from Page No. 3.
2. a) In Group - A, Questions are of Multiple Choice type. You have to write the correct choice in the box provided against each question.
b) For Groups - B \& C you have to answer the questions in the space provided marked 'Answer Sheet'. Questions of Group - B are Short answer type. Questions of Group - C are Long answer type. Write on both sides of the paper.
3. Fill in your Roll No. in the box provided as in your Admit Card before answering the questions.
4. Read the instructions given inside carefully before answering.
5. You should not forget to write the corresponding question numbers while answering.
6. Do not write your name or put any special mark in the booklet that may disclose your identity, which will render you liable to disqualification. Any candidate found copying will be subject to Disciplinary Action under the relevant rules.
7. Use of Mobile Phone and Programmable Calculator is totally prohibited in the examination hall.
8. You should return the booklet to the invigilator at the end of the examination and should not take any page of this booklet with you outside the examination hall, which will lead to disqualification.
9. Rough work, if necessary is to be done in this booklet only and cross it through.

No additional sheets are to be used and no loose paper will be provided
FOR OFFICE USE / EVALUATION ONLY Marks Obtained


Head-Examiner/Co-Ordinator/Scrutineer


# CS /BBA (H) (SUPPLE)/SEM-5 / BBA $2=501 \geqslant 09$ <br> FINANCIAL MANAGEMENT-I <br> SEMESTER - 5 

Time : 3 Hours ]
[ Full Marks : 70

## GROUP - A <br> ( Multiple Choice Type Guestions )

1. Choose the correct alternatives for any ten of the following :
i) Which of the following can be used as a raw material in other process ?
a) Scrap
b) Spoilage
c) Waste
d) None of these. $\square$
ii) Abnormal idle time arises out of which of the following causes ?
a) Waiting for instructions
b) Time taken for picking up the work
c) Power failure
d) Both (a) and (c). $\square$
iii) Indirect cost is referred as
a) materials
b) labour
c) overhead
d) prime cost.
$\square$
iv) Which of the following inventory valuations methods show higher profits during the period of rising price?
a) FIFO
b) LIFO
c) Simple average methods
d) Weighted average methods.
v) Cost of service industry is computed by
a) Process costing
b) Operating costing
c) Standard costing
d) none of these.
$\square$
$\square$
vi) Industries like bakeries, flour mills employ
a) Operating costing
b) Process costing
c) Job costing
d) Step costing.
$\square$
vii) The principal factor to be considered in designing a costasystem include
a) Manufacturing process
b) Nature of business
c) Company Organization structure

d) all of these.
viii) The most suitable cost system where the products differ in type of materials and work performed is
a) Job costing
b) Process costing
c) Operating costing
d) None of these.

ix) In case of loss in an incompleted contract, the total amount of loss is transfered to the
a) Profit and Loss A/c
b) Reserve A/c
c) National A/c
d) None of these.
$\square$
x) The term "variable costs" refers to
a) all costs which are likely to respond to the amount of attention devoted to them by a specified manager
b) all costs which are associated with marketing, shipping, warehousing and billing activities
c) all manufacturing costs incurred to produce units of output
d) all costs which fluctuate in total in response to small change in the rate of utilization of capacity.

xi) The cost of idle time incurred by employees that is considered normal for the production process should be charged to
a) Work-in-process inventory
b) Direct labour
c) Administrative expense
d) Factory overhead.

xii) The process of attributing proportions of items of costs amongst cost centres is called
a) overhead absorption
b) absorption of indirect costs
c) cost apportionment
d) cost allocation.


GROUP - B
( Short Answer Type Questions )

2. How is idle time controlled in a manufacturing organization?
3. Briefly state the importance of cost audit.
4. Distinguish between a Bin Card and a Stores Ledger.
5. What are the advantages of the job costing system derived by the large brands ?
6. State briefly with an example, the meaning of the expression "recovery of overhead".

## GROUP - C

( Long Answer Type Questions )
Answer any three of the following. $3 \times 15=45$
7. Mr. G owns a fleet of taxis and the following information is available from the records maintained by him :

| No. of taxis | $:$ | 10 |
| :--- | :--- | :--- |
| Cost of each taxi | $:$ | Rs. $5,46,000$ |
| Salary of manager | $:$ | Rs. $7,000 \mathrm{p} . \mathrm{m}$. |
| Salary of accountant | $:$ | Rs. $5,000 \mathrm{p} . \mathrm{m}$. |
| Salary of cleaner | $:$ | Rs. $2,000 \mathrm{p} . \mathrm{m}$. |
| Salary of mechanics | $:$ | Rs. $4,000 \mathrm{p} . \mathrm{m}$. |
| Garage rent | $:$ | Rs. $6,000 \mathrm{p} . \mathrm{m}$. |
| Insurance premium | $:$ | Rs. 9,000 per taxi |
| Annual tax | $:$ | Rs. 3,500 p.m. per taxi |
| Driver's salary | $:$ | Rs. 10,000 per taxi |

Total life of a taxi is about $2,00,000 \mathrm{~km}$. A taxi runs in all 3000 km in a month and $30 \%$ of this distance has to be run without any passenger. Diesel consumption is one litre for every $10 \mathrm{~km} @$ Rs. $44 \cdot 10$ per litre. Oil and sundries are Rs. $105 \cdot 00$ per 100 kms .

Calculate the cost of running a taxi per km.
8. a) Define cost classification.
b) Following information has been obtained from the recess ar manufacturing company :
Stock of Raw Materials
Stock of Finished Goods
Stock of Work-in-Progress

1. 2. 2008

## Rs.

## 31. 12.2008 <br> Rs.

| 40,000 | 50,000 |
| ---: | ---: |
| $1,00,000$ | $1,50,000$ |
| 10,000 | 14,000 |

Indirect Labour
Lubricants
Insurance of Plant
Purchase of raw materials
Salesmen Commission
Salaries of Salesmen
Carriage Outward

## Rs.

## Rs.

50,000
10,000
3,000
Direct Labour
3,00,000
4,00,000 Depreciation on machinery 50,000
60,000 Factory Rent
60,000
1,00,000 Tax on Factory Building 11,000
20,000 Sales
12,00,000

Prepare a Statement of Cost and Profit showing :
i) Prime cost ; (ii) Factory cost ; (iii) Cost of Production ; (iv) Cost of Goods sold ; (v) Cost of sales and (vi) Profit.
$3+12$
9. In a manufacturing concern bonus to workers is paid on a slab rate based on savings of cost towards labour and overheads. The following are the slab rates :
i) Unto $10 \%$ savings : 5\% of the earning
ii) Above $10 \%$ and pto $15 \%$ savings : $9 \%$ of the earning
iii) Above $15 \%$ and pto $20 \%$ savings ; $13 \%$ of the earning
iv) Above $20 \%$ and pto $30 \%$ savings : $21 \%$ of the earning
v) Above $30 \%$ and pto $40 \%$ savings : $28 \%$ of the earning
vi) Above $40 \%$ savings : $32 \%$ of the earning.

The wage rates per hour of 4 workers $-A, B, C$ and $D$ are Re. $1 \cdot 00$, Rs. $1 \cdot 10$, Rs. $1 \cdot 20$ and Rs. 1.40 respectively. Overhead is recovered on direct wages at the rate of $200 \%$. Standard cost under wages and overhead per unit of production is fixed at Rs. 30. The workers have completed one unit each in $8,7,5 \frac{1}{2}$ and 5 hours respectively. Calculate in respect of each worker
a) Amount of bonus earned. 5
b) Total earnings. 5
c) Total earnings per hour. 5

## S-54057 (22/08)

10. Panda Ltd. furnishes the following information :
i) Consumption 300 units per quarter
ii) Cost per unit Rs. 40
iii) Cost of processing an order Rs. 600
iv) Obsolescence 15\%
v) Insurance on inventory $25 \%$.

Compute :
a) EOQ
b) No. of order per year and
c) Time between two consecutive orders.

A supplier offers a discount of $2 \%$ on a purchase of 600 units. Should it be accepted?

$$
10+5
$$

11. Write short notes on any three of the following :
a) Cost-Plus Contract
b) Uniform Costing
c) Escalation clause
d) Profit on Incomplete contracts
e) Halsey-Wein plan
f) EBQ
g) Marginal costing.
