

Engg. Economics, Finance / BE/CBQS/Prod/EEF&C/VIII  
Accounting & Costing

QP Code: 735001

09-06-16

(3 Hours)

Total MARKS: 80

N.B.:

1. Question No.1 is compulsory
2. Attempt any three questions from remaining questions.
3. Assume suitable data if necessary and mention the same clearly

- Q1 A) Compare Micro Economics with Macro Economics.  
B) Explain concept various types of markets  
C) Explain various functions of money  
D) Explain role of SEBI

[5]  
[5]  
[5]  
[5]

- Q2 A) Explain meaning of utility and marginal utility. Explain law of diminishing marginal utility with suitable example.  
B) STV company completed order of 20 tanks in this period and incurred costs as follows:-

[10]

Details	Amount in Rupees
Direct Material	10,00,000
Direct Wages	9,40,000
Administrative Overheads	5,25,000
Selling and Distribution overheads	4,55,000
Factory Overheads	4,16,000
Direct Expenses	1,40,000
<b>Total</b>	<b>34,76,000</b>

For the similar order in next period, material cost will be eight percent higher. Factory overheads will be in the same proportion to prime cost. Other overheads will rise by five percent. Prepare cost sheets for both periods showing batch cost and unit cost considering profit at 14 percent on cost of sales

[10]

- Q3 A) Explain following-
- i. Perfect Competition
  - ii. Monopoly
  - iii. Multi-plant monopoly

[10]

B) Explain concept of depreciation. Also explain various methods of depreciation in detail.

[10]

[TURN OVER

Q4 A) Refer Following Trial Balance of Hycon Company as on 31/03/2014

Particulars	Debit(Rs)	Credit(Rs)
Purchases and Sales	16,47,000	32,95,000
Wages	2,95,000	
Carriage Inward	17,000	
Carriage Outward	35,000	
Debtors and Creditors	4,16,000	3,12,000
Plant and Machinery	11,27,000	
Cash and Bank	3,18,000	
Opening Stock	5,20,000	
Bank Loan @10% interest	-	5,80,000
Rates and Electricity(30% office)	2,25,000	
Interest	35,000	
Drawing and Capital	1,40,000	10,40,000
Office Furniture	1,42,000	
Office Salaries	1,89,000	
Machinery Repairs	34,000	
Returns(Sales and Purchase)	68,000	33,000
Manufacturing Expenses)	52,000	
	<b>52,60,000</b>	<b>52,60,000</b>

**Adjustments-**

1. Closing Stock is valued at Rs.2,25,000/-
2. Depreciation: Plant and Machinery 10% ;Office Furniture 20%
3. Salary Due Rs.9000/-
4. Wages Paid in Advance Rs.6000/-

**Prepare:-**

Referring Trial Balance of Hycon Company as on 31/03/2014

- Prepare Trading Account
- Prepare Profit and Loss Account
- Prepare Balance Sheet

[15]

B) Write short note on –Investment Bankers

[5]

[TURN OVER

Q5 A] Explain following financial ratios:-

- i. Debt/Equity Ratio
- ii. Current Ratio
- iii. Acid Test Ratio
- iv. Inventory Turnover ratio

[10]

B] A manufacturing Concern, which has adopted standard costing, furnishes the following information:-

**Standard**

Material for 70 kg. Finished Product : 100 Kg  
Price of Material : Rs 1/kg

**Actual**

Output : 210000 Kg  
Material Used : 280000 kg  
Cost of Material : Rs 252000

Calculate:

- i. Material Usage Variance
- ii. Material Price Variance
- iii. Material Cost Variance

[10]

Q6 Write Short notes on:-

- A. The Concept of Double Entry and fundamental Principles
- B. Process Costing
- C. Overhead apportionment
- D. Mutual Funds

[5 marks x 4 = 20]

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