

**GUJARAT TECHNOLOGICAL UNIVERSITY****BE - SEMESTER-VI (NEW) - EXAMINATION – SUMMER 2017****Subject Code: 2161503****Date: 03/05/2017****Subject Name: Finance Management & Cost Control****Time: 10:30 AM to 01:00 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

		MARKS
<b>Q.1</b>	<b>Short Questions</b>	<b>14</b>
	1 Define Financial Management.	
	2 Give the types of estimation.	
	3 Define standard cost.	
	4 What is Working Capital?	
	5 Give the formula of prime cost.	
	6 What is meant by Financial Planning?	
	7 Classify the assets.	
	8 Give the formula of factory cost.	
	9 Give the elements of cost.	
	10 What is the cost control?	
	11 What is a budget?	
	12 Define book keeping.	
	13 Give types of labour cost.	
	14 What are the benefits of budgeting?	
<b>Q.2</b>	(a) Give the limitations of budget.	<b>03</b>
	(b) Discuss the nature of cost.	<b>04</b>
	(c) Write note: Ratio analysis and its importance.	<b>07</b>
	<b>OR</b>	
	(c) Discuss need for financial analysis and steps in which it is carried out.	<b>07</b>
<b>Q.3</b>	(a) Explain the financial accounting.	<b>03</b>
	(b) Define current assets and Give four examples.	<b>04</b>
	(c) What is budgeting and budgeting control? Explain various types of budgets.	<b>07</b>
	<b>OR</b>	
<b>Q.3</b>	(a) Explain the causes of depreciation.	<b>03</b>
	(b) Discuss the uses of working capital	<b>04</b>
	(c) Discuss the role of an industrial engineer as a cost controller.	<b>07</b>
<b>Q.4</b>	(a) Discuss the liabilities.	<b>03</b>
	(b) Two molders can cast twenty – five gears in a day. Each gear weight 3 kg and the gear material costs Rs. 12.50 per kg. If the overhead expenses are 150% of direct labour cost and two molders are paid Rs. 70 per day, calculate the cost of producing one gear.	<b>04</b>

- (c) Discuss briefly about factors affecting the selection of sources of finance. **07**

**OR**

- Q.4** (a) Differentiate costing and Engineering estimation **03**  
(b) Discuss the external sources of finance. **04**  
(c) Show and explain relationship between assets, liability and owner's equity. **07**

- Q.5** (a) Discuss the objective of trial balance. **03**  
(b) Discuss material cost estimation in a forging shop. **04**  
(c) A factory producing 150 electric bulbs a day, involves direct material cost of Rs. 250, direct labour cost of Rs. 200 and factory overheads of Rs. 225. Assuming a profit of 10% of the selling price and selling on cost (overhead) 30% of the factory cost, calculate the selling price of one electric bulb. **07**

**OR**

- Q.5** (a) Discuss allocation of overheads. **03**  
(b) What is the data required for engineering estimates for machine shop? **04**  
(c) A cast iron foundry employs thirty persons. It consumes material worth Rs. 25,000, pays workers at the rate of Rs. 10 per hours and incurs total overhead of Rs. 10,000. In a particular month (25 days) workers had an overtime of 150 hours and were paid at double their normal rate. Find the total cost and the man hour rate of overheads. Assume an eight hour working day. **07**

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