Seat No.:	Enrolment No.

GUJARAT TECHNOLOGICAL UNIVERSITY BE – SEMESTER-VI • EXAMINATION – SUMMER- 2015

Subject code: 161503 Date: 08/05/2015 Subject Name: Finance Management & Cost Control

Time: 10.30am-01.00pm Total Marks: 70

Instructions:

- 1. Attempt all questions.
- 2. Make suitable assumptions wherever necessary.
- 3. Figures to the right indicate full marks.
- Q.1 (a) Discuss how crucial is insight of good finance management for any 07 business organization.
 - (b) Discuss primary sources of financing a new venture. 07
- Q.2 (a) Discuss Journal, ledger and double entry book system. Describe how it 07 differs from financial statements.
 - (b) Discuss need for financial analysis and steps in which it is carried out.

OR

- (b) Discuss methods of depreciation, and depreciation of fixed assets. 07
- Q.3 (a) Define budgeting and budgetary control, and enlist the objectives of 07 budget, budgeting and budgetary control.
 - (b) M/S XYZ has the following trial balance figures. Prepare a Trading, P & L 07 account and balance sheet.

Particulars	Dr. (Rs.)	Cr. (Rs.)
Stock as on	20000	
31/12/2012		
Acquisitions,	200000	300000
Purchases & sales		
Returns on	20000	
investments		
Carriage	10000	
Rent for shed	10000	
Interest received		20000
Salaries to the	20000	
personnel		
General expenses	10000	5000
Insurance	5000	

Consider closing stock on 31/12/2013 as Rs. 4,50,000.

OR

- Q.3 (a) Briefly discuss a) Profitability ratios b) Liquidity ratios c) Turn over ratios 07
 - (b) Record the following transactions in journal, and then post the journal of activities in the ledger of cash accounts, goods account and capital account. Transactions:
 - ❖ Mar 1, 2009- Opened a gaming zone with Rs. 350000
 - ❖ Mar 2, 2009- Purchased arcade games from distributors- Rs. 300000
 - ❖ Sold PSP games to customers- Rs. 180000
 - Sold PS games to customer- Rs. 170000

- Paid to bank-Rs. 180000
- ❖ Paid rent for game zone- Rs. 110000
- ❖ Purchased some Chinese games from distributors- Rs. 220000
- Sold Chinese games to customers- Rs. 180000
- Purchased accessories- Rs. 130000
- Q.4 (a) Discuss allocation of overheads, and different ratios showing overheads as 07 a percentage on various costs.
 - (b) Below given is cost statement for gear hobbing jobs in a machine shop: 07

Depreciation on sales	Rs. 1100
department's car	
Printing & stationery	Rs. 250
Depreciation of plant	Rs. 4500
Materials consumed	Rs. 55000
Indirect factory wages	Rs. 8000
Director's fees	Rs. 3000
Advertisement	Rs. 10, 000
Net profit	Rs. 12000
Direct wages	Rs. 65000
Factory rent	Rs. 6000
Telephone & postage	Rs. 150
charges	
Gas & Electricity	Rs. 500
Office salaries	Rs. 2100
Office rent	Rs. 500
Show-room rent	Rs. 1500
Salesman's commission	Rs. 2650
Sales department car	Rs. 1500
expenses	

Find out a) Direct cost b) Factory cost c) Total cost of production d) Cost of sales and e) Selling price

OR

- Q.4 (a) What is the data required for engineering estimates for machine shop? 07
- Q.4 (b) A factory employs 35 workers during a month of 31 days where details of or expenditures are given below. Calculate total cost of production.
 - 1. Core Material & spares cost-Rs. 300000
 - 2. Rate of wages of each workers: Rs. 15/hr
 - 3. Duration of work- 8.5 hrs/day
 - 4. No. of holidays in month-6
 - 5. Total overhead expenses- Rs. 150000
- **O.5** (a) Describe constituents of engineering estimates.
 - **(b)** Calculate direct material cost for butt welding two MS plates of 300x150x4mm **07** each, assuming following data:

Filler rod diameter : 3 mm Filler metal lost during welding : 17 %

Oxygen consumption : 0.15 cuM/Hr
Acetylene consumption : 0.27 cuM/Hr
Filler rod length consumed : 3.4 m/m of welding

Welding time/meter of weld : 20 min

Density of filler metal : 7.2 gm/cc

Cost of filler metal : Rs. 25/kg

07

Cost of oxygen : Rs. 5/ cuM Cost of Acetylene : Rs. 50/ cuM

OR

Q.5 (a) Discuss material cost estimation in a machine shop.

07

(b) Calculate a) cost of cutting a V- Groove with gas, b) welding cost for two 1 m long M.S. plates of 12 mm thickness. If cost of Oxygen Rs. 10.5/m³, Cost of Acetylene- Rs. 80/ m³, Cost of filler rod- Rs. 12/kg, labour charges Rs. 1.8/hr, 60 degree V-Groove is prepared for welding. Assume cutting speed= 30m/Hr., Oxygen consumption= 2 cu.m./Hr., Acetylene consumption= 0.2 cu.m./Hr
