

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**M. E. - SEMESTER – I • EXAMINATION – WINTER • 2013**

**Subject code: 711406N****Date: 06-01-2014****Subject Name: Construction Finance & Accounting****Time: 10.30 am – 01.00 pm****Total Marks: 70****Instructions:**

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

- Q.1 (a)** Write the journal entries in the book of Chikky & Bros. **07**  
 10<sup>th</sup> June: Paid wages of Rs. 12,000.  
 11<sup>th</sup> June: paid rent by chq. Rs. 10,000  
 13<sup>th</sup> June: Paid salary to Mr. Charan Rs. 12,000  
 14<sup>th</sup> June: Purchased stationary from Kagaz & Co. and paid by chq Rs. 5,000  
 15<sup>th</sup> June Received interest Rs. 14,000  
 17<sup>th</sup> June: Receives commission by chq. Rs. 6,000  
 18<sup>th</sup> June Rent received from Mr. Mody by chq. Rs. 8,000  
 19<sup>th</sup> June: Interest received from Mr. Bijju by chq. Rs. 10,000  
 20<sup>th</sup> June: carriage paid on purchase of goods Rs. 3,000  
 22<sup>nd</sup> June: Carriage paid on sale of goods Rs. 2,000  
**(b)** What is the difference between financial accounting and management **07**  
 accounting?

- Q.2 (a)** What are various ratios? Why its analysis required in finance? **07**  
**(b)** What are the factors determining the working capital? **07**

**OR**

- (b)** Following are the transactions relating to M/s Trinity Foods, over an accounting **07**  
 period from 1st June 2005 to 30th June 2006.  
 Started business with Capital Rs. 1,00,000  
 Paid into Bank Rs. 10,000  
 Bought Furniture and paid cash Rs. 25,000  
 Bought goods for cash Rs. 50,000  
 Bought goods from Ram on Credit Rs. 15,000  
 Sold a part of the goods for Rs. 75,000 and paid the proceeds into bank directly  
 Sold the remaining goods on credit for Rs. 50,000 to Rahim  
 Paid Salaries and Wages Rs. 5,000  
 Paid rent by chq. Rs. 8,000  
 Prepare trial balance of “M/s Trinity Foods” as on 30th June 2005  
 Also prepare “Trading and Profit and Loss Account”

- Q.3 (a)** From the following two Balance Sheets as on 31st December, 2006 and 2007, **07**  
 you are required to prepare a schedule of changes in working capital and a  
 funds flow statement for 2007:

	Dec.31, 2006	Dec31, 2007
Assets:		
Cash	30,000	47,000
Debtors	1,20,000	1,15,000
Stock in trade	80,000	90,000
Short Term Investments	50,000	66,000
Long Term Investments	40,000	50,000

Land	20,000	18,000
	3,40,000	3,48,000
Capital and liabilities:		
Share capital	2,00,000	2,50,000
Bank Loan	50,000	34,000
Outstanding Expenses	10,000	14,000
Trade creditors	70,000	55,000
Retained Earnings	10,000	33,000
	<u>3,40,000</u>	<u>3,48,000</u>

(b) What are financial procedures practiced in construction industry? **07**

**OR**

**Q.3** (a) What is corporate tax and how is tax planning done in corporate? **07**

(b) A firm has equity and debt in its capital structure amounting to Rs 2,00,000 and Rs 3,00,000 respectively. The sale amounts to Rs 8,00,000. The cost of material and the operating cost amount to Rs 5,60,000. Find (a) profit margin, and (b) return on investment **07**

**Q.4** (a) The following information regarding the operations of 2011 has been made available from the records of a cosmetic company: **07**

Sales	Rs. 100,000	Fixed Selling	
Direct Materials used	40,000	Administration Expenses	Rs. 10,000
Direct Labor	15,000	Gross Profit	20,000
Fixed Manufacturing Overheads	20,000	Net Loss	5,000

There is no beginning or ending inventories.

Calculate the following:

- Variable selling and administration expenses
- Contribution margin in rupees
- Variable factory overheads
- Breakeven point in rupees
- Factory cost of goods sold

(b) What are different accounting systems? What are their advantages? **07**

**OR**

**Q.4** (a) What are the uses and limitations of Fund flow analysis? **07**

(b) From the following Balance Sheet of Gupta Ltd., prepare Schedule of Changes in Working Capital: **07**

Liabilities	2002	2003	Assets	2002	2003
Creditors	55,000	83,000	Cash in Hand	15,000	10,000
Bills Payable	20,000	16,000	Cash at Bank	10,000	8,000
Share Capital	1,00,000	1,50,000	Debtors	1,60,000	2,00,000
General Reserve	7,000	8,000	Stock	77,000	1,09,000
Debenture	1,00,000	1,00,000	Bills	20,000	30,000
	<u>2,82,000</u>	<u>3,57,000</u>	Receivable	<u>2,82,000</u>	<u>3,57,000</u>

**Q.5** Write Notes on any two : - **14**

1. Difference between fund flow and cash flow.
2. Joint Ventures.
3. Capital and revenue.
4. Preparation of balance sheet.

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