

**PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)**

**BSc DEGREE EXAMINATION DECEMBER 2019
(Third Semester)**

Branch - COSTUME DESIGN & FASHION

FINANCIAL AND COST ACCOUNTING

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** marks (10x1^10)

- 1 The dual aspect concept is the basis for _____.
 (i) Single entry system (ii) Double entry system
 (iii) Mercantile system (iv) Cash system
- 2 Nominal A/c having credit balances represents _____.
 (i) Income/Gain (ii) Expenses/Losses
 (iii) Assets (iv) Liability
- 3 Purchase book is kept to record _____.
 (i) All purchases (ii) All credit purchases
 (iii) All cash purchases (iv) Both (ii) & (iii)
- 4 Credit Sales are recorded in _____.
 (i) Sales Book (ii) Cash Book
 (iii) Journal Proper (iv) Sales Account
- 5 Depreciation is _____.
 (i) Cash item (ii) Non-cash item
 (iii) Expenses item (iv) Loss item
- 6 Cost of goods sold = sales _____.
 (i) Direct expenses (ii) Gross profit
 (iii) Net profit (iv) Indirect expenses
- 7 Basic objectives of cost accounting is
 (i) Tax compliance (ii) Financial audit
 (iii) Cost ascertainment (iv) Profit analysis
- 8 Cost accounting differs from financial accounting in respect of
 (i) Repbrting of cost (ii) Ascertainment of cost
 (iii) Control of cost (iv) Recording of cost
- 9 Under the Halsey plan, a worker is paid?
 (i) at a time rate higher than the usual rate
 (ii) according to his efficiency
 (iii) at double rate for overtime
 (iv) Normal wages plus bonus
- 10 Wages paid on the basis of output is _____.
 (i) Piece wage system (ii) Time wage system
 (iii) Taylor's differential system (iv) Rowans Plan

Cont...

SECTION - B (35 Marks)Answer **ALL** Questions**ALL** Questions Carry **EQUAL** Marks (5 x 7 = 35)

- 11 a Journalise the following transaction in the books of S.Kumar.
 January 1 S.Kumar commenced business with cash Rs.50,000
 2014 2 Purchased goods for cash Rs.10,000
 5 Purchased goods from Mohan on credit Rs.6,000
 7 Paid into Bank Rs.5,000
 20 Sold goods to Suresh on credit Rs.5,000
 25 Cash Sales Rs.3,500
 26 Paid to Mohan on account Rs.3,000
 31 Paid Salaries Rs.2,800

OR

- b Explain the golden rules of accounting.

- 12 a Enter the following credit transactions in the purchase day book of Ms.Pavithra and post them in the ledger.
 January 1 Bought goods from Ram for Rs.5,000
 2018 10 Purchased goods from Shyam for Rs. 10,000
 17 Purchased goods from Mohan for Rs.9,000
 25 Purchased goods from Raja for Rs.8,000

OR

- b Prepare a Single Column Cash Book from the following transactions in the books of M/s.Rama traders.

| | DETAILS | AMOUNT |
|-------|---------------------|--------|
| FEB 1 | Balance of Cash | 2000 |
| 4 | Cash Sales | 12000 |
| 7 | Cash Purchases | 10000 |
| 12 | Interest Received | 2000 |
| 15 | Commission received | 4000 |
| 18 | Paid to Anand | 2000 |
| 24 | Received from Kumar | 12000 |
| 27 | Pair to Shan | 8000 |
| 28 | Paid office Rent | 8000 |

- 13 a Prepare Trading a/c from the following:

| | Rs. |
|-------------------------------------|-------|
| Opening Stock | 1,870 |
| Cash Sales | 6,550 |
| Credit Sales | 2,135 |
| Commission paid | 100 |
| Wages | 350 |
| Printing | 140 |
| Cash and Credit Purchases | 4,680 |
| Interest paid | 35 |
| Customs duty | 190 |
| Carriage outwards | 220 |
| Inwards returns | 750 |
| Outward returns | 620 |
| Carriage inwards | 185 |
| Postage | 85 |
| Closing stock is valued at Rs.2,000 | |

OR

- b State the uses of Balance Sheet.

14 a Calculate Prime Cost, Factory Cost, Cost of Production, cost of Sales and Profit from the following details:

| | |
|-------------------------|------------|
| Direct Material | Rs. 10,000 |
| Direct Labour | Rs.4,000 |
| Direct Expenses | Rs.500 |
| Factory expenses | Rs. 1,500 |
| Administrative expenses | Rs. 1,000 |
| Selling expenses | Rs.300 |
| Sales | Rs.20,000 |

OR

b From the following information, you are required to calculate Maximum level, Minimum level and ordering level for materials X and Y:

| | X | Y |
|------------------------|----------|---------|
| Normal usage per week | 150 | 200 |
| Reordering quantity | 900 | 1,500 |
| Maximum usage per week | 225 | 250 |
| Minimum usage per week | 75 | 100 |
| Reorder period (weeks) | 12 to 18 | 6 to 12 |

15 a Calculate the earnings of a worker under Halsey Premium Plan.

Time allowed = 48 hours

Time taken = 40 hours

Rate per hour = Rs. 10

OR

b What are the essential characteristics of a good system of wage payment?

SECTION - C (30 Marks!)

Answer any **THREE** Questions

ALL Questions Carry **EQUAL** Marks (3 x 10 = 30)

16 An inexperienced clerk of B and Co., prepared the following trial balance as on 31.12.2018.

| | Rs. | | Rs. |
|------------------------|--------|-------------------------|--------|
| Capital | 2,000 | Loss on fire | 100 |
| Loan at 10% | 6,000 | Building | 4,000 |
| Creditors | 846 | Furniture and fittings | 500 |
| Doubtful debts reserve | 200 | Plant and Machinery | 5,800 |
| Bills receivable | 852 | Debtors | 4,800 |
| Returns to suppliers | 500 | Bills Payable | 815 |
| Carriage on sales | 250 | Bank charges | 520 |
| Sales | 14,954 | Commission received | 287 |
| | | Stock (1.1.2018) | 2,818 |
| | | Cash in hand | 88 |
| | | Manufacturing expenses | 782 |
| | | Wages | 750 |
| | | Salaries | 394 |
| | | Postage and telegrams | 54 |
| | | Rates | 95 |
| | | Printing and Stationary | 86 |
| | | Insurance | 17 |
| | | Purchases | 2,986 |
| | | Interest on Loan | 450 |
| | | Return from customers | 110 |
| | | Carriage on purchases | 150 |
| | 25,602 | | 25 609 |

Enter the following transactions of Mr.Ravi in his double column cash book.

Jan.(2018) 1 Cash Balance Rs.350

2 Cash received on sale of a vehicle Rs.4,000

3 Paid into Bank Rs.3,150

4 Paid to Aral Rs.750 and discount allowed by him Rs.25

5 Paid Wages Rs.50

6 Received from Panneerselvam Rs.350 and discount allowed to him Rs.50

9 Sold goods for cash Rs.510

15 Bought goods for cash Rs. 1,000

18 Cash withdrawn for personal use Rs.200

20 Paid into Bank Rs.500

22 Received from Chandra Rs. 1,250 and discount allowed Rs.60

28 Drew cheque for office use Rs.200

31 Paid office rent Rs.80

From the following trial balance of S.Anand as on 31-12-2018 you are required to prepare the trading and profit and loss account for the year ended 31-12-2018 and a balance sheet as on that date.

| | Rs. | | Rs. |
|-------------------------|----------|---------|----------|
| Stock | 45,000 | Sales | 4,20,000 |
| Purchases | 2,25,000 | Capital | 92,950 |
| Plant and Machinery | 75,000 | | |
| Trade Charges | 10,000 | | |
| Carriage In | 2,500 | | |
| Carriage Out | 1,500 | | |
| Factory Rent | 1,500 | | |
| Discount | 350 | | |
| Insurance | 700 | | |
| Sundry Debtors | 60,000 | | |
| Office Rent | 3,000 | | |
| Printing and Stationery | 600 | | |
| General Expenses | 2,800 | | |
| Advertising | 15,000 | | |
| Bills Receivable | 3,000 | | |
| Drawings | 6,000 | | |
| Salaries | 18,000 | | |
| Manufacturing wages | 20,000 | | |
| Furniture and fixtures | 7,500 | | |
| Coal, gas and Water | 1,000 | | |

Record the following transactions in Stores Ledger, pricing the materials under FIFO method:

May 1 Balance 50 units at Rs.25 per unit

3 Received 300 units at Rs.30 per unit

5 Issued 200 units

7 Issued 120 units

8 Received back 10 units (issued on 7th May)

10 Returned to Vendor 15 units purchased on 3rd May

15 Received 200 units at Rs.32

18 Issued 150 units

19 Issued 50 units

The stock verifier found a .shortage of 10 units on 20 and left a note.

Standard time allowed for a job is 20 hours and the rate per hour is Rs.2 plus a dearness allowance @ 50 paise per hour worked.

The actual time taken by a worker is 15 hours. Calculate the earnings under (a) Time system; (b) Piece Wage System; (c) Halsey Plan