

Question Paper Set of

S.Y.B.I.M. – Sem-III

Regular Exam

University of Mumbai

October, 2022



**PRAHLADRAI DALMIA LIONS COLLEGE
OF COMMERCE & ECONOMICS**
ISO 9001: 2015 Certified

PROGRAM: BIM	SEMESTER: III (OCTOBER 2022)
CLASS: SYBIM	SUBJECT: MUTUAL FUND MANAGEMENT
MARKS: 75	TIME: 2 HOURS & 30 MINUTES

- Note:** (1) All Questions are compulsory.
(2) Each Question carries 15 marks.
(3) All working notes in support of your answer should form part of your answer.

Q1 A) Choose the correct alternative answer from the options given below: - (Any 8) (08)

1. The AMC and the Trustees enter into an _____ agreement. (Investment Management, Transfer, Underwriters, Custodian)
2. Scheme take-overs do not result in merger of _____. (AMCs, DCA, COC, UTI)
3. If _____ of unit holders approve, the services of the AMC can be terminated. (60%, 75%, 40%, 90%)
4. UTI Act was enacted in the year _____. (1963, 1929, 1964, 1928)
5. The offer document of an open-ended fund is valid for _____ years. (2, 3, 5, 6)
6. Illiquid securities should not exceed _____ of the net assets. (16%, 17%, 15%, 18%)
7. Compounding enables investors to earn _____ on interest. (Interest, Money, Tax, Returns)
8. _____ of the following documents are required by Mutual Fund Investors. (Pan Card, Photograph, Proof of address, Aadhar Card)
9. Within _____ days must the decision of SEBI to reject the application be communicated to the applicant. (7, 90, 30, 45)
10. _____ are not permitted to invest in Mutual Funds. (Minors, An Individual who is a foreign national, Hindu Undivided Families, PIO)

Q1 B) State whether the following statements are True or False: (Any 7) (07)

1. IIT Corporate Services, CAMS, KARVY are examples of companies that provide and transfer services to mutual funds in India.
2. The chairperson of the asset management company can be the trustee of any mutual fund.
3. AMFI stands for Association of Mumbai Financial Institutions.
4. Asset Management Company should be registered with RBI.
5. ICRA's analysts obtain and rely on relevant data from Public and Non-public sources.
6. Bank deposits cater to a segment of investor class that looks for risky relatively higher returns.
7. Mutual funds focus their investment activities based on investment objectives such as income, growth or tax savings.
8. Equities do not generate a fixed rate of return.
9. Equity investing involves more risk than debt investing.
10. Investment capital is the surplus amount, which the client may set aside for the long term.

Q. 2 A) Define Mutual Funds. Explain its Features. (8)

Q. 2 B) What are the rights and obligations of the trustees? (7)

OR

Q. 2 C) Explain in brief the advantages and disadvantages of mutual funds. (8)

Q. 2 D) Explain the role of SEBI in investor's protection under MFs. (7)

Q. 3 A) What is Net Asset Value? Explain the SEBI regulations for computation of NAV (8)

Q. 3 B) Calculate closing NAV and Closing units of M/s ABC Ltd. (7)

Opening NAV = Rs.17.65

Outstanding units = 500000 no's

Units Redeemed = 10000 no's

Units Subscribed = 20000 no's

Appreciation in portfolio = Rs.40000

Dividend received = Rs.50000

Expenses = Rs.80000

OR

Q. 3 C) What is financial planning? Explain the importance of it. (8)

Q. 3 D) Explain the various concepts of Value? (7)

Q. 4 A) What is MF Rating? Explain its need and Importance. (8)

Q. 4 B) How ratings of funds are done by CARE? (7)

OR

Q. 4 C) What is Rolling Returns? Explain its Importance. (8)

Q. 4 D) What is MF Ranking? Explain its benefits (7)

Q. 5 A) Explain the financial planning as a process. (8)

Q. 5 B) Explain the KYC requirements for Mutual Fund investors. (7)

OR

Q. 5 C) Write Short Notes: (Any 3) (15)

a) Role of SEBI in Ethics

b) Money Market mutual fund

c) Bond Valuation

d) Entry load

e) Asset Management



**PRAHLADRAI DALMIA LIONS COLLEGE
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ISO 9001: 2015 Certified

SEMESTER: III (OCTOBER 2022)
SUBJECT: ITIM I
TIME: 2 HOURS & 30 MINUTES

Note: (1) All Questions are compulsory.

(2) Each Question carries 15 marks.

(1 A) Choose the correct alternative answer from the options given below: - (Any 8)

08

1. _____ is the world-wide network of computers accessible to anyone who knows their Internet Protocol (IP) address. (Intranet, Internet, Extranet, All of the above)
2. The _____ communications protocol is used to connect to Web servers on the Internet or on a local network. (HTML, FTP, HTTPD, HTTP)
3. A _____ is any device that serves to interface with other networks using dissimilar protocols. (Switch, Router, Gateway, Bridge)
4. SSL stands for _____. (Secure Socket Layer, Secure Socket Loop, Secure System Layer, Secure System Loop)
5. _____ is the main markup language for creating web pages and other information that can be displayed in a web browser. (HTTP, FTP, HTTPD, HTML)
6. _____ is a selection from various alternatives – strategies, resources, methods etc. (Directing, Staffing, Coordinating, Planning)
7. AI stands for _____. (Artificial Intelligence, Automated Internet, Analytical Intelligence, Artificial Internet)
8. _____ refers to the principles, practices, and guidelines that an organization follows when interacting with its customers. (JIT, ERP, MRP, CRM)
9. In order to pay with a _____ we need to know our personal identification number (PIN) and need a hardware device that is able to read the information that is stored in the magnetic strip on the back. (Credit Card, Debit Card, Charge Card, Smart Card)
10. The _____ function is a premade function in Excel, which allows searches across rows. (HLookup, VLookup, Count, Goal Seek)

(1 B) State whether the following statements are 'True' or 'False' (Any 7):

07

1. E-commerce focuses on exchange of product and services through personal interaction.
2. E-commerce does not allow intermediaries.
3. The process of MIS starts by knowing MIS objectives.
4. ERP stands for Enterprise Resource Production.
5. The fastest growing sector of e-commerce payments is C2C transactions.
6. Credit card are issued based on the customer's income level, credit history, and total wealth.
7. EPSS enable a customer to pay for the goods and services online by using integrated hardware and software systems.

8. B2C is a business model in which the companies involved create products and services for other businesses.
9. A macros is an action or a set of actions that we can run as many times as we want.
10. FTP is an approach information management in which data are shared in the network of documents connects by links.

Q.2. Answer in brief:

- A. Explain the features of Ecommerce.
- B. Explain middleware services of architectural framework.

OR

Q.2. Answer in brief:

- A. Explain the framework of Ecommerce.
- B. Write a note on HTML and HTTP.

Q.3. Answer in brief:

- A. What is MIS? Explain its characteristics.
- B. Explain the various benefits of ERP system.

OR

Q.3. Answer in brief:

- A. Explain the process of MIS.
- B. Explain any 8 applications of ERP.

Q.4. Answer in brief:

- A. Explain what if analysis in detail.
- B. Explain the steps to insert and execute macros in excel.

OR

Q.4. Answer in brief:

- A. Explain mail merge in detail.
- B. Explain vlookup and hlookup.

Q.5.(A) Explain micro-payment with a suitable example.

Q.5.(B) Explain credit card, debit card and smart card as a mode of payment system.

OR

Q.5 C Short Notes (Any 3):

1. Write a note on I-way.
2. What is ERP? Explain its characteristics.
3. Write a note on E-CRM.
4. Write a note on bookmark.
5. Explain the benefits of VBA macros in excel.

Q. 2 A) Describe Capital Market in brief.

Q. 2 B) Explain Debt Markets in detail.

OR

Q. 2 C) Write in brief about Bill Discounting and Venture Capital. (8)

Q. 2 D) Explain the Monetary functions of RBI. (7)

Q. 3 A) What are the factors responsible for growth of Capital Markets? (8)

Q. 3 B) Describe the Role & Functions of SEBI (7)

OR

Q. 3 C) What are the eligibility criteria for IPO application as mandated by SEBI? (8)

Q. 3 D) What are the features of Depository system in India? (7)

Q. 4 A) What is Credit Rating? Explain the importance of Credit Rating? (8)

Q. 4 B) Discuss in detail about Hybrid Instruments. (7)

OR

Q. 4 C) Explain Non-Voting Shares and Derivative Instruments. (8)

Q. 4 D) What is Developed Capital Market? Explain its features. (7)

Q.5 A) Explain any 8 functions of stock exchanges (8)

Q.5 B) Describe in brief about the procedure for issuance of GDR/FCCB with regards to various approvals from BOD & Shareholder & MOF. (7)

Q. 5 C) Write short notes (ANY 3)

(15)

1. Primary market
2. RBI
3. Listing of scheme
4. Bonds
5. NSDL



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PROGRAM: BIM	SEMESTER: III (OCTOBER 2022)
CLASS: SYBIM	SUBJECT: SAPM
MARKS: 75	TIME: 2 HOURS & 30 MINUTES

Note: (1) All Questions are compulsory.

(2) Each Question carries 15 marks.

(3) All working notes in support of your answer should form part of your answer.

Q.1. Multiple choice questions: (attempt any 8 out of 10)

(8)

1) Investment according to Theoretical Economics is _____.

- a) Buying stocks and bonds
- b) Investment in real estate
- c) Investment in golds
- d) A rail Road

2) _____ ability means investment to be safe from social disorders, government confiscations or unacceptable levels of taxation; property must be concealable and leave no records of income received from its use or sale.

- a) Marketability
- b) Liquidity
- c) Income
- d) Conceal

3) _____ is an example of Marketable Assets.

- a) Pension Scheme
- b) Post office certificates
- c) LIC Schemes
- d) Shares

4) _____ is an insurance plan where the premium paid is invested in equity, debt, or money market.

- a) Sukanya Samriddhi Account
- b) Public Deposit
- c) Mutual Fund
- d) Unit Linked Insurance Plan

5) _____ is an act of conducting a risky financial transaction, in the hope of substantial profit.

- a) Gambling
- b) Moonlighting
- c) Investment
- d) Speculation

6) _____ is the total return on an asset or portfolio over period during which it was held.

- a) Beta
- b) Alpha
- c) Standard Deviation
- d) Holding Period Return

7) _____ risk is the risk of investments declining in the value because of economic developments or other events that affect the entire market.

- a) Market
- b) Foreign Market
- c) Equity
- d) Currency

- 8) According to Capital Asset Pricing Model (CAPM), a security's expected (required) return is equal to the risk-free rate plus a premium _____:
- Equal to security's beta
 - Based on the unsystematic risk of the security
 - Based on the total risk of the security
 - Based on the systematic risk of the security
- 9) Under _____ strategy, adjustment to the portfolio is carried out according to certain predetermined rules and procedures designated as formula plans.
- Active Revision
 - Passive Revision
 - Balance Revision
 - No Revision
- 10) In _____ measure the surplus between the two returns is called Alpha, which measures the performance of a fund compared with the actual returns over the period.
- Treynor Ratio
 - Sharpe Ratio
 - Jenson Ratio
 - Profit Ratio

Q1. B. State whether True or False: (attempt any 7 out of 10)

- Investment in different types of securities helps to minimize risk. (7)
- Investment is an act of conducting a risky financial transaction, in the hope of substantial profit.
- Systematic risk arises due to the micro-economic factors.
- High risks are associated with high potential returns.
- Diversifiable helps to reduce the unsystematic risk.
- A single industry investment is more risky than two or more industries.
- The objective of portfolio revision is the same as the objective of portfolio selection.
- Buying and selling of securities does not involve transaction costs such as commission and brokerage.
- Higher the coupon rate, lower the bond duration and vice versa.
- Interest rate and coupon rate are synonymous terms.

Q3. Answer the following questions:

- Who is the portfolio manager? Explain the Role of the portfolio manager. (8)
- What is an investment? Explain Investment Avenues in India. (7)

OR

- C. From the following you are expected to calculate. (1) Expected Return of Security (2) Measure of total risk (Standard Deviation) (3) Co-efficient of co-variance. (15)

Year	Return of A Limited	Return of B Limited	Market Return
	%	%	%
1	16	14	16
2	18	22	22
3	20	18	20
4	22	26	26
5	24	30	24
Total	100	110	108

Q3. Answer the following Questions:

- Ms Ashvini purchased 2000 shares of ABC Ltd @ Rs. 100 each on 1st January 2009. She paid a brokerage of Rs. 1000. During the year 2010 she received bonus shares of ABC Ltd. In the ratio of 1:3. She also received dividends from the company as follows: October 2009 = Rs. 750, October

- (1) All Questions are compulsory.
(2) Each Question carries 15 marks.

1. A) Match the following (any 8)

(08)

Column A	Column B
1. GDR	A. Forward Market Commission
2. SEBI	B. Central Bank
3. Commercial Paper	C. Non-Member Of Stock Exchange
4. Jobber	D. Information Document
5. Sweat Equity	E. Direct Investor
6. Prospectus	F. Global Depository Receipt
7. Right Issue Of Shares	G. Investor Watch Dog
8. Bear	H. Decrease In Share Price
9. RBI	I. Issue Share At Discount
10. FMC	J. Liquid Instrument

2. B) State whether the following statements are true or false: (any 7)

(07)

- 1) Index Is The Centre Where Share Debentures And Securities Are Traded.
- 2) BSE Was Established In 1875
- 3) There Are Different Players In Market Named As Bulls, Bears And Monkeys.
- 4) FCCBS Are Also Known As Euro Issues.
- 5) GDR Can Be Listed On NYSE.
- 6) ADR Are Rupee Dominated Receipts
- 7) GDR Can Only Issue In America
- 8) Mutual Fund Is Way Of Reducing Your Potential Financial Loss Or Hardship.
- 9) Fund Based And Fee Based Are The Types Of Financial Services.
- 10) Stocks Are Earnings And Assets Of Corporation.

3. A) Support the statement- "Recognized stock exchanges are empowered to make bye laws for regulation of control of contracts", give atleast 9 laws.

(08)

3. B) Endetail any 8 penalties and offenses under SCRA contract with proper segmentation of offence and attached penalty.

(07)

OR

3. C) List 8 Powers Granted To Central Government By The Securities Contract Regulation Act 1956

(08)

3. D) Explain Non-Transferable Specific Delivery Contract And Spot Delivery Contract.

(07)

4. A) Describe the meaning and definition of Risk and also the risk adjustments types in detail.

(08)

4. B) Explain concept of risk assurance and its major 5 internal components?

(07)

OR

4. C) Enlist the major tools for risk management and relation between the Time vs risk?

(08)

4. D) What are the 5 principals of risk assessment?

(07)

4. A) Define the investments according to Fisher with the 6 features in detail.

(08)

4. B) What are the major reasons to invest your money?

(07)

OR

4. C) What are the major two concept of investing? Why are long term investments important?

(08)

4. D) What do you mean by investment objectives, state any 4 in detail?

(07)

5. A) Explain Types Of Shares In Detail.

(08)

5. B) Explain in details Valuation Of Debentures.

(07)

OR

5. C) Write short notes on (any three):

(15)

- 1) Investment Income
- 2) Bank And Credit Union
- 3) Annuity
- 4) Financial Services
- 5) Instruments Traded In Money Market Any 2

- (1) All Questions are compulsory.
(2) Each Question carries 15 marks.

Q.4) Match the following (any 8)

(08)

Column A	Column B
1. GDR	A. Forward Market Commission
2. SEBI	B. Central Bank
3. Commercial Paper	C. Non-Member Of Stock Exchange
4. Jobber	D. Information Document
5. Sweat Equity	E. Direct Investor
6. Prospectus	F. Global Depository Receipt
7. Right Issue Of Shares	G. Investor Watch Dog
8. Bear	H. Decrease In Share Price
9. RBI	I. Issue Share At Discount
10. FMC	J. Liquid Instrument

Q.5) State whether the following statements are true or false: (any 7)

(07)

- 1) Index Is The Centre Where Share Debentures And Securities Are Traded.
- 2) BSE Was Established In 1875
- 3) There Are Different Players In Market Named As Bulls, Bears And Monkeys.
- 4) FCCBS Are Also Known As Euro Issues.
- 5) GDR Can Be Listed On NYSE.
- 6) ADR Are Rupee Dominated Receipts
- 7) GDR Can Only Issue In America
- 8) Mutual Fund Is Way Of Reducing Your Potential Financial Loss Or Hardship.
- 9) Fund Based And Fee Based Are The Types Of Financial Services.
- 10) Stocks Are Earnings And Assets Of Corporation.

Q.2 A) Support the statement- "Recognized stock exchanges are empowered to make bye laws for regulation and control of contracts", give atleast 9 laws. (08)

Q.2 B) Endetail any 8 penalties and offenses under SCRA contract with proper segmentation of offence and matched penalty. (07)

OR

Q.2 C) List 8 Powers Granted To Central Government By The Securities Contract Regulation Act 1956 (08)

Q.2 D) Explain Non-Transferable Specific Delivery Contract And Spot Delivery Contract. (07)

Q.3 A) Describe the meaning and definition of Risk and also the risk adjustments types in detail. (08)

Q.3 B) Explain concept of risk assurance and its major 5 internal components? (07)

OR

Q.3 C) Enlist the major tools for risk management and relation between the Time vs risk? (08)

Q.3 D) What are the 5 principals of risk assessment? (07)

Q.4 A) Define the investments according to Fisher with the 6 features in detail. (08)

Q.4 B) What are the major reasons to invest your money? (07)

OR

Q.4 C) What are the major two concept of investing? Why are long term investments important? (08)

Q.4 D) What do you mean by investment objectives, state any 4 in detail? (07)

Q.5 A) Explain Types Of Shares In Detail. (08)

Q.5 B) Explain in details Valuation Of Debentures. (07)

OR

Q.5 C) Write short notes on (any three): (15)

- 1) Investment Income
- 2) Bank And Credit Union
- 3) Annuity
- 4) Financial Services
- 5) Instruments Traded In Money Market Any 2

Note: (1) All Questions are compulsory.

(2) Each Question carries 15 marks.

(3) All working notes in support of your answer should form part of your answer.

Q.1 A) Multiple choice questions (attempt any 8)

(08)

- 1) Finance is derived from the French word 'Finer' which means ____
(to pay, to submit, to cancel, to received)
- 2) ____ risk is the possibility that the borrower will fail to repay the debt on time.
(business risk, credit risk, inflation risk, finance risk)
- 3) Cost of capital is used to design company's _____.
(profit and loss, fixed assets, capital structure, Balance sheet)
- 4) _____ finance is available from 1 day to 364 days
(medium term, short term, long term, micro term)
- 5) If total funds employed is Rs. 300000, return on capital employed is 20% then EBIT will be Rs. _____.
(60000, 1500000, 6000, 30000)
- 6) The objective of financial management is to _____ (Maximise the revenue, Maximise the return, minimum the risk, minimum the cost)
- 7) Debentures are included in _____. (Own fund, Loan fund, Equity, Assets)
- 8) Optimum Capital structure implies a ratio of debt and equity at when _____ would be least and market value of the firm would be highest (Marginal Cost of Capital, WACC, Cost of Debt, Opportunity cost)
- 9) Interest at 7% simple for 2.5 years on a deposit of Rs. 15000 will be Rs. _____ (2625, 26250, 17625, 2265)
- 10) Inflow = _____ + Depreciation.
(NPAT, NPBT, NPBDT, NPADT)

Q.1 B) State whether the following statement are true or false: (any 7)

(07)

- 1) Equity share represent ownership funds.
- 2) Capital budgeting decisions are short term investment decisions.
- 3) Depreciation saves tax.
- 4) Payment of fixed dividend ensures regular dividend to shareholders.
- 5) Dividend to equity share holders results in reduction of taxes.
- 6) Indifference level of EBIT is one at which EPS is zero of two alternatives.
- 7) Project with higher NPV should be selected.
- 8) Stable dividend policy ensures stable dividend to the shareholders.
- 9) According to MM approach optimum capital structure does not exist.
- 10) Cost of new equity and existing equity is the same.

Q.2 A) C Ltd has the following capital structure as on 31/3/22:

12% Debentures Rs.30000, 8% Preference share capital Rs.40000, Equity share capital (Face Value Rs.100 each) Rs.130000. The equity shares are quoted at Rs.120 and the company expects to declare a dividend of Rs. 15. Growth rate in dividends 4% is anticipated. Tax rate 30%. You are required to :

- a) Calculate weighted Average cost of capital.
- b) Assume that the company can raise additional Rs.50000 by way of 11% term loan, Calculate the revised composite cost of capital. But this will result in increase in the dividend to Rs. 18 and reduction in the market price to Rs. 110 per share. Growth rate will remain the same. Calculate revised weighted Average cost of capital. (15)

Retained earnings	400000	---
Preference capital	300000	350000
Debentures	200000	250000

Costs of different sources of finance are equity capital 15%, retained earnings 14%, Preference capital 10%, Debentures 8%.

Q.3 A) E Ltd. is desirous of purchasing a machinery costing Rs. 54000 that has a life of four years with Rs. 4000 scrap value. Working capital Rs. 5000. The company provides depreciation under Straight Line Method. Income tax rate of 30% is applicable to the company. The profits before depreciation and tax are Rs. 17000, Rs.26000, Rs.22000, Rs.21000 and Rs.28000. Cost of capital is 10%. Determine the Net Present Value and Profitability Index of the project. (15)

OR

Q.3 B) F Ltd. is considering two mutually exclusive machines 'Star' and 'Moon' that require value of Rs. 10000. Net profits before depreciation and tax are as follows:

Year	Star (Rs.)	Moon(Rs.)
1	50000	60000
2	50000	40000
3	50000	30000
4	50000	50000
5	50000	50000

Tax rate is 35%. Advice which machine should the company should purchase under: Pay back Method & ARR Method. (15)

Q.4 A) E Ltd. has equity share(face value Rs. 10) of Rs. 300000. Company needs Rs. 500000 for construction of a new plant. Following options are available:

Option 1: Issue 50000 equity shares of Rs. 10 each.

Option 2: Issue 15000 equity shares of Rs. 10 each and 8 % Debentures for the remaining.

Option 3: Issue 25000 equity shares of Rs. 10 each and Preference share bearing 8% dividend for the remaining.

Expected EBIT is Rs. 90000. Tax rate is 35%.

Suggest the option to be selected. (15)

OR

Q.4 B) From the following data calculates the market price of equity share of Y Ltd. Using Walter's and Gordon formula: Earnings per Share Rs. 5, Dividend payout ratio 60%, cost of capital 16%, IRR is 20%. (08)

Q.4 C) Mr. F invested Rs. 56000 in a bank at 15% pa. Calculate compound interest of 7th year. (07)

Q.5 A) Explain in brief Long term sources of finance. (08)

Q.5 B) What is financial management? Explain its Function (07)

OR

Q.5 C) Write short notes on (any three): (15)

- 1) Profit maximization
- 2) Cost of debts
- 3) Profitability index
- 4) Equity share
- 5) Time value of money

M: BIM	SEMESTER: III (OCTOBER 2022)
YBIM	SUBJECT: COST & MANAGEMENT ACCOUNTING
75	TIME: 2 HOURS & 30 MINUTES

- (1) All Questions are compulsory.
 (2) Each Question carries 15 marks.
 (3) All working notes in support of your answer should form part of your answer.

A) State whether the following statements are true or false (Any 8) (08)

- Direct cost cannot be allocated to the cost unit.
 Marginal cost is variable cost.
 Prime cost includes factory overheads.
 Fixed cost remains constant irrespective of output.
 Normal loss is controllable.
 Balance on Abnormal loss A/c is transferred to costing Profit & Loss A/c.
 Decrease in variable cost increases BEP.
 Abnormal gain is valued at the cost of output.
 Controllable variance is under the control of the government.
 Labour cost variance is favourable when actual cost is lower than standard cost.

B) Match the columns (Any 7) (07)

A	B
Works Cost	a Not included in cost sheet
Fixed cost	b Difference between standard cost and actual cost
Standard cost	c Sales less Cost
Normal Loss	d Avoidable Loss
Variance	e Unavoidable Loss
Abnormal Loss	f Not shown in cost sheet but credited to profit & loss a/c
Variable cost	g Prime Cost plus Factory Cost
Cash Discount Received	h Remain unchanged in per unit
Interest in Loan	i Predetermined cost
Profit	j Remain unchanged in total

Q. 2 A) The accounts of Aman Ltd for the year ended 31st Dec 2021, shows the following:

Particular	Rs.
Work Office Salaries	6550
Administrative Office Salaries	12600
Cash Discounts Received	2900
Carriage outwards	4300
Carriage Inwards	7150
Preliminary Expenses written off	6500
Repairs to Machinery	4450
Rent, rates taxes, Insurance etc.	
Factory	8500
Office	2000
Sales	471000
Stock of Raw materials	
1 st Jan 2021	
31 st Dec 2021	48500
Materials Purchased	61800
	175000

Delivery Van Expenses	7700
Traveller's Salaries and commission	125000
Productive wages	1250
W.I.P. : 1/1/2021	1500
31/12/2021	6500
Depreciation on Plant & machinery	350
Depreciation on Office Computer	6000
Directors fees	1200
Electricity Expenses - factory	400
Electricity Expenses- office	10000
Manager's Salary(1/4 factory & 3/4 Office)	3400
Advertisement	

You are required to prepare a cost statement for the year ended 31st Dec 2021. (15)

OR

Q.2 B) Prepare a Reconciliation Statement from the following data for year ended 2014 of ABC LTD (15)

Particulars	Rs
Net Profit as per Cost Records	3,44,800
Works Overheads under absorbed in cost records	6240
Administrative Overheads over recovered in cost books	5000
Selling overheads recovered less in cost accounts	1600
Depreciation absorbed in cost records	25,000
Depreciation charged in financial books	22,400
Loss due to obsolescence charged in financial books	11,400
Interest on investments not recorded in cost books	16,000
Bank Interest and transfer fees credited only in financial books	1500
Stores adjustment only credited in financial books	950
Loss due to depreciation in stock values accounted for in financial books only.	13,500
Income Tax provided in financial books only	80,600
Bad Debts incurred recorded in financial books	510
Opening stock in cost accounts	5200
Opening stock in financial accounts	6500
closing stock in cost accounts	4500
closing stock in financial accounts	2400

Q.3 A) The product of a company passes through three distinct processes to completion. They are known as X, Y & Z. From past experience it is ascertained that loss is Incurred in each process as under: Process X 2%, Process Y 5%, Process Z 10%. In each case the percentage of loss is computed on the number of units entering the process concerned. The loss of each process possesses a scrap value. The loss of processes X & Y is sold at Rs.5 per, 100 units and that of process Z at Rs. 20 per 100 units. The output of each process passes immediately to the next process and the finished units are passed from Process Z into stock. The following information is obtained:

Particulars	Process X (Rs.)	Process Y (Rs.)	Process Z (Rs.)
Materials	6,000	4,000	2,000
Labour	8,000	6,000	3,000
Production Overheads	1,500	1,749	3,460

20,000 units have been issued to Process X at a cost Rs. 10,000. The output of each process has been as under. Process X – 19,500 units, Process Y – 18,800 units, Process Z – 16,000 units. There is no work in progress in any process. Prepare Process Accounts, Normal Loss A/c, Abnormal Loss & Gain A/c. (15)

OR

Q.3 B) Aarav Ltd provides you the following information for the year ended 31st March, 2021

Particulars	Process A	Process B	Process C
Raw material (units)	12,000	2,500	2,800
Cost of Raw material (per unit) (Rs.)	5	5	5
Direct Wages (Rs.)	34,000	24,000	15,000
Production Overheads (Rs.)	16,160	16,200	9,600
Normal Loss	4%	5%	3%
Wastage	6%	5%	4%
Scrap per unit of wastage (Rs.)	3	4	5
Output transfer to subsequent process	70%	60%	-
Output sold at the end of the process	30%	40%	100%
Selling price per unit (Rs.)	12	16	17

Prepare Process Account A, B and C.

(15)

Q.4 A) The standard material cost for 10 units of output is:

(15)

Materials	Kgs	Rate per kg
A	7	15
B	9	19
C	12	10

The actual cost for 5000 units is as follows:

Materials	Kgs	Rate per kg
A	3600	16
B	4550	20
C	6150	8

Calculate all material variances:

OR

Q.4 B) The sales and profit for the last two years are as follows:

(15)

Years	Sales (Rs.)	Profit (Rs.)
2020	6,00,000	40,000
2021	7,00,000	60,000

Calculate: P/v ratio, fixed cost, BEP sales, MOS, sales to earn a profit of Rs 90,000.

Q. 5 A) Explain the classification of cost on the basis of behaviour.

(08)

Q.5 B) Disadvantage of marginal costing.

(07)

OR

Q.5 C) Write Short notes (Any 3)

(15)

1. Difference between cost a/c and Financial a/c
2. Disadvantage of standard costing
3. Need for reconciliation
4. Profit volume ratio & margin of safety
5. Factory and office overheads.