BIRLA INSTITUTE OF TECHNOLOGY, MESRA, RANCHI
(END SEMESTER EXAMINATION)

CLASS: B.TECH **SEMESTER: VI**
BRANCH: BT/MECH/PROD/CSE/ECE **SESSION: SP/2023**

SUBJECT: MT117 BASICS OF FINANCIAL ACCOUNTING AND MANAGEMENT

TIME: 3 Hours **FULL MARKS: 50**

INSTRUCTIONS:
1. The question paper contains 5 questions each of 10 marks and total 50 marks.
2. Attempt all questions.
3. The missing data, if any, may be assumed suitably.
***4*. Before attempting the question paper, be sure that you have got the correct question paper.**
5. Tables/Data hand book/Graph paper etc. to be supplied to the candidates in the examination hall.

			CO	BL
Q.1(a)	Discuss basic financial decisions in brief.	[5]	1	2
Q.1(b)	Explain the three elements of final Accounts.	[5]	1	2
Q.2(a)	The only current assets possessed by a firm are: Cash – Rs. 1,05,000/-, Inventories – Rs. 5,60,000/-, and debtors : Rs. 4,20,000/-. If the current ratio for the firm is 2:1, determine its current liabilities. Also calculate the firm's quick ratio.	[5]	2	3
Q.2(b)	Write a short note on any two long term sources of finance.	[5]	2	2
Q.3(a)	Despite its weakness, the payback period is popular in practice. What are the reasons for its popularity?	[5]	3	4
Q.3(b)	Two project X and Y, both costing Rs. 500 each. Project X returns Rs. 1,000/- after one year and Rs. 250/- after two years, on the other hand, project Y returns Rs. 300/- after one year and Rs. 1,000/- after two years. Calculate the NPV of projects at discount rate of 5% and rank them.	[5]	3	3
Q.4(a)	What shall be the repercussions if a firm has: a. Paucity of working capital. b. Excess working capital.	[5]	4	4
Q.4(b)	What current liabilities can be used as spontaneous sources for financing the working capital? And how?	[5]	4	1
Q.5(a)	"The greater the volume of output in the factory, the lower is the production cost per unit". Comment on the statement.	[5]	5	3
Q.5(b)	Prepare a cost sheet of the following data relating to the manufacture of Jeans: Number of Jeans manufactured during the month 1,000.	[5]	5	3

	Rs.
Direct materials consumed	20,000
Direct labour	8,000
Indirect labour (in factory)	2,500
Supervision costs (in factory)	1,000
Factory premises rent	1,600
Factory lighting	600
Oil for machines	100
Depreciation of machines	500
Office overheads	8,000
Office salaries	2,000
Misc. office expenses	1,000
Selling and distribution overheads	6,000

Note: A profit margin of 20% on the total cost of goods is expected on the sale of Jeans.

::::::02/05/2023::::::M