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Question Paper Code	13895
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B.E. / B.Tech. - DEGREE EXAMINATIONS, NOV / DEC 2025

Seventh Semester

Computer Science and Business Systems

20CBMG702 - FINANCIAL AND COST ACCOUNTING

Regulations - 2020

Duration: 3 Hours

Max. Marks: 100

PART - A (MCQ) (10 × 1 = 10 Marks)

Answer ALL Questions

	<i>Marks</i>	<i>K- Level</i>	<i>CO</i>
1. The main objective of financial accounting is to:	1	K1	CO1
(a) Determine cost per unit			
(b) Provide information for decision making			
(c) Record only non-cash transactions			
(d) Evaluate employee performance			
2. The accrual concept ensures that:	1	K1	CO1
(a) Revenues and expenses are recognized when incurred			
(b) Cash is recorded only after transaction			
(c) Only expenses are recorded			
(d) Future transactions are ignored			
3. Book keeping primarily involves:	1	K1	CO2
(a) Systematic recording of financial transactions			
(b) Planning and forecasting			
(c) Auditing financial statements			
(d) Managerial decision making			
4. The trial balance is prepared to:	1	K1	CO2
(a) Detect arithmetic errors in ledger postings			
(b) Prepare cash flow statements			
(c) Forecast next year's income			
(d) Set employee budget			
5. Net profit is calculated in which of the following account?	1	K1	CO3
(a) Profit and loss account			
(b) Balance sheet			
(c) Trial balance			
(d) Trading account			
6. The current ratios establish the relationship between	1	K1	CO3
(a) Current assets- Inventory			
(b) Quick assets and Current Liability			
(c) Current assets and Current liability			
(d) None of the above.			
7. The statement which shows the periodical increase or decrease of funds is called _____ statement.	1	K1	CO4
(a) Funds flow			
(b) Cash flow			
(c) Income			
(d) Working capital			
8. Cash flow example from an investing activity is	1	K1	CO4
(a) Issue of Debenture			
(b) Repayment of Long-term Loan			
(c) Purchase of Raw Materials for Cash			
(d) Sale of Investment by Non-Financial Enterprise			
9. Which of these is not an objective of Cost Accounting?	1	K1	CO5
(a) Ascertainment of Cost			
(b) Determination of Selling Price			
(c) Cost Control and Cost reduction			
(d) Assisting Shareholders in decision making.			
10. A budget which is prepared in a manner so as to give the budgeted cost for any level of activity is known as	1	K1	CO6
(a) Master budget			
(b) Zero base budget			
(c) Functional budget			
(d) Flexible budget			

PART - B (12 × 2 = 24 Marks)

Answer ALL Questions

11. Define accounting and explain its primary objective.	2	K1	CO1
12. What are accounting conventions? Give two examples.	2	K1	CO1
13. Recall a trial balance.	2	K1	CO2
14. Differentiate between journal and ledger.	2	K2	CO2

K1 – Remember; K2 – Understand; K3 – Apply; K4 – Analyze; K5 – Evaluate; K6 – Create

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| 15. List two objectives of financial statements. | 2 | K1 | CO3 |
| 16. Label Trend analysis. | 2 | K1 | CO3 |
| 17. Show profitability ratio. | 2 | K1 | CO3 |
| 18. Classify various sources and applications of cash. | 2 | K2 | CO4 |
| 19. Can you assess the value or importance of funds flow statement? | 2 | K2 | CO4 |
| 20. Infer Zero based Budgets. | 2 | K2 | CO5 |
| 21. Relate BEP. | 2 | K2 | CO5 |
| 22. Illustrate fixed budget. | 2 | K2 | CO6 |

PART - C (6 × 11 = 66 Marks)

Answer ALL Questions

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| 23. a) | Explain the various accounting concepts and conventions used in the preparation of financial statements. | 11 | K2 | CO1 |
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OR

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| b) | Interpret detailed note on company accounts and statutory reporting requirements. | 11 | K2 | CO1 |
|----|---|----|----|-----|

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| 24. a) | Demonstrate the steps in preparing final accounts from a trial balance and explain their importance in business. | 11 | K2 | CO2 |
|--------|--|----|----|-----|

OR

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|----|--|----|----|-----|
| b) | From the following trial balance of Mr. Sairam as at 31st March 2025, prepare Trading and Profit & Loss Account and a Balance Sheet.
Purchases ₹60,000, Sales ₹1,20,000, Opening Stock ₹20,000, Closing Stock ₹25,000, Rent ₹5,000, Salaries ₹7,000, Furniture ₹10,000, Debtors ₹30,000, Creditors ₹20,000, Cash ₹8,000, Capital ₹68,000. | 11 | K2 | CO2 |
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| 25. a) | Jasmine manufacturing company has drawn up the following P& L Account for the year ended as on 31 st March 2023.
Calculate (a) Operating ratio, (b) Gross Profit Ratio, (c) Net Profit Ratio, (d) Selling & distribution expense ratio, and (e) Administration expense Ratios. | 11 | K3 | CO3 |
|--------|--|----|----|-----|

Particulars	Rs	Particulars	Rs
To Opening Stock	26,000	By Sales	1,64,000
To Purchase	80,000	By Closing stock	34,000
To Wages	24,000		
To Manufacturing expense	16,000		
To Gross profit c/d	52,000		
	1,98,000		1,98,000
To Selling and Distribution expense	4,000	By Gross Profit b/d	52,000
To Administration expense	22,800		
To General expense	1,200		
To loss on assets	800		
To Net Profit c/d	28,000		
	56,800		56,800

OR

- b) Apply the techniques or tools used in financial statement analysis 11 K3 CO3

26. a) Distinguish between funds flow statement and balance sheet. 11 K3 CO4

OR

- b) The Balance Sheets of National Insurance Co. as on 31st March, 2020 and 31st March 2021 are as follows: 11 K3 CO4

Liabilities	2020	2021	Assets	2020	2021
Share Capital	450000	550000	Goodwill	115000	90000
General Reserve	40000	70000	Land & Building	120000	170000
P&L	30000	48000	Plant	105000	200000
8% Debenture	42000	83000	Debtors	160000	200000
Bills Payable	20000	16000	Stock	77000	109000
Creditors	40000	50000	Bills Receivable	20000	30000
			Cash in hand	25000	18000
	622000	817000		622000	817000

You are advised to prepare Cash Flow Statement and suggest the status of cash from operation.

27. a) The sales turnover and profit during two years were as follows: 11 K4 CO5
From the below information calculate: (a) P/V Ratio, (b) Breakeven Point, (c) Sales required to earn a profit of Rs 40,000, (d) Fixed expense, (e) Profit when sales are Rs 1,20,000

Year	Sales (Rs)	Profit (Rs)
1991	1,40,000	15,000
1992	1,60,000	20,000

OR

- b) Prepare a Flexible budget for overheads on the basis of the following data. 11 K4 CO5
Ascertain the overhead rates at 50% and 60% capacity.

Variable overheads:	At 60% capacity (Rs)
Indirect Material	6,000
Labour	18,000
<u>Semi Variable OH:</u>	
Electricity: (40% Fixed & 60% variable)	30,000
Repairs: (80% fixed & 20% Variable)	3,000
<u>Fixed overheads:</u>	
Depreciation	16,500
Insurance	4,500
Salaries	15,000
Total Overheads	93,000
Estimated direct Labour Hours	1,86,000

28. a) Mr. Suresh provides the following balances as on 31st March 2025:

11 K4 CO6

Capital: ₹2,00,000

Purchases: ₹1,20,000

Sales: ₹2,40,000

Returns Inward: ₹8,000

Returns Outward: ₹12,000

Opening Stock: ₹32,000

Closing Stock: ₹28,000

Salaries: ₹20,000

Rent paid: ₹12,000

Sundry Debtors: ₹55,000

Creditors: ₹30,000

Furniture: ₹24,000

Carriage Inwards: ₹3,000

Carriage Outwards: ₹5,000

Bank Balance: ₹18,000

Prepare Trading and Profit & Loss Account and Balance Sheet as on 31st March 2025.

OR

b) Examine the role of adjustments and closing entries in finalizing the end-of-period accounts.

11 K4 CO6