Reg. No.										

MANIPAL INSTITUTE OF TECHNOLOGY
MANIPAL
A Constituent Institution of Manipal University

SECOND SEMESTER M.TECH. (CEM)
END SEMESTER EXAMINATIONS, APRIL/MAY 2017
SUBJECT: **CONSTRUCTION ECONMICS & ACCOUNTING [CIE 5202]**

REVISED CREDIT SYSTEM

(22/04 /2017)

Time: 3 Hours MAX. MARKS: 50

Instructions to Candidates:

- Answer **ALL** the questions.
- Missing data may be suitable assumed.
- Present value of annuity table is allowed

Q1.	Journalise the following transactions of *M/s* ABC & Co. for the month of December 2016, post the same in the relevant ledger and balance the same in **Trial Balance** on 31.12.2016. December 2: Commenced a business with cash Rs. 20,000 and Building Rs. 80,000 December 4: Purchased machinery worth Rs. 50,000 from *M/s* Rao & Co. on credit. December 6: Opened an account in SBI Bank with Rs. 20,000 December 8: Withdrew Rs. 10,000 from Bank for personal use. December 10: Sold goods to Mr. Arjun for cash Rs. 30,000 December 11: Discount allowed to Arjun Rs. 1,000 for the prompt payment. December 15: Received a cheque of Rs. 60,000 for the service rendered to customers. December 17: Paid advance rent Rs. 10,000 and travel expenses Rs. 3,000 December 23: Paid balance amount of Rs. 50,000 due to *M/s* Rao & Co. towards the purchase of machinery. December 31: Paid utility charges Rs. 20,000	**10M**
Q2A.	Explain any 6 accounting concepts used in Accounting practices?	**3M**

Reg. No.										

MANIPAL INSTITUTE OF TECHNOLOGY
MANIPAL
A Constituent Institution of Manipal University

Q2B. Prepare the Profit & Loss Account and Balance sheet of MNC & Co. after considering the adjustments for the Trial Balance shown on March 31, 2017 as follows. **7M**

Particulars	**Debit (Rs.)**	**Credit (Rs.)**
Interest 3000 5000	3000	5000
HDFC Bank Loan		1280000
Machinery	400000	
Furniture	80000	
Building	600000	
Repairs & maintenance	7000	
Debtors	300000	
Salary	30000	
Utilities Expense	13000	
Fixed Deposit with Bank	200000	
Travelling Expenditure	12000	
Rent	25000	45000
Printing & Stationary	20000	
Advance to Sachin	250000	
Bad debt	10000	
Capital		620000
	1950000	**1950000**

Adjustments:
1. Prepaid salary Rs. 10,000
2. Outstanding rent expense Rs. 2000

Q3A. A company sells his product at Rs. 400 each. Variable costs are 120 per unit and fixed cost of production are Rs. 6,30,000. **4M**

a. What is product break-even point in units and sales in rupees?
b. How much should the company sell to make a profit of Rs. 28,000?

Q3B. From the balance sheet as shown, prepare the **Comparative Balance sheet** and **Common Size Balance sheet statement** and comment on the performance. (All figures in below table are in Rs.) **6M**

Liabilities	**2015**	**2016**	**Assets**	**2015**	**2016**
Secured Loans	50000	50000	Building	100000	90000
Creditors	80000	70000	Plant	50000	40000
Share Capital (Rs. 10 each)	100000	200000	Cash	50000	90000
Reserves & Surplus	30000	80000	Debtors	30000	60000
			Inventories	30000	120000

Q4A. What are the different sources of finance? Mention the purpose for which these finances can be used? **3M**

Reg. No.										

MANIPAL INSTITUTE OF TECHNOLOGY
MANIPAL
A Constituent Institution of Manipal University

Q4B.	What are the objectives of Management Accounting?	**2M**
Q4C.	For the statement of profit shown for the respective year 2015 and 2016, comment on i) Gross profit ratio ii) Net Profit Ratio and iii) Interest coverage Ratio. **Particulars** / **2015** / **2016** Sales Revenue / 100000 / 270000 Cost of Goods Sold / 50000 / 60000 Selling & Administration expenses / 5000 / 10000 Interest expenses / 10000 / 30000 Depreciation / 10000 / 50000 Tax / 4000 / 5000	**5M**
Q5A.	A company has following investment project proposal. Project / Cash Outflow / Cash inflow (₹) C0 / C1 / C2 / C3 A / -20000 / 10000 / 10000 / 9000 B / -20000 / 6000 / 6000 / 12000 Calculate payback, APR, IRR and NPV at 10% discount rate and rank the project.	**5M**
Q5B.	What is law of demand? What are the determinants of demand?	**2M**
Q5C.	What is working capital? Explain any four factors of determining working capital?	**3M**

****