

Haryana State SAS Part-II (OB) Examination 2025

Cost Accountancy and Financial Management

Time Allowed: 3 Hrs.

Max Marks: 150

Instructions to the candidates

- 1. Please read instructions carefully.*
- 2. Question 1 is compulsory*
- 3. All parts of the question attempted together.*

Q.No.1 From the following information of Bansidhar Ltd., Prepare a Cash Flow Statement (By using Indirect Method):

(Rupees in Lakhs)

Particulars	NoteNo.	31st March-25 (Rs.)	31st March-24 (Rs.)
I. Equity and Liabilities			
1. Shareholders' Funds			
1. Shareholders' Funds		1500	1250
a) Share capital			
b) Reserve and surplus (surplus)		3410	1380
2. Non-current Liabilities			
Long-term borrowings (Long-term loan)		1110	1040
3. Current Liabilities			
a) Trade payables		150	1890
b) Other current liabilities	1	<u>630</u>	<u>1100</u>
Total		<u>6800</u>	<u>6660</u>
II Assets			
1. Non-current assets			
a) Fixed assets	2	730	850
b) Non-current investments		2500	2500
2. Current assets			
a) Current investments (Marketable)		670	135
b) Inventories		900	1950
c) Trade Receivables		1700	1200
d) Cash and cash equivalents		200	25
e) Other current assets (Interest receivables)		<u>100</u>	<u>00</u>
Total		<u>6800</u>	<u>6660</u>

Notes to Accounts:

<i>Particulars</i>	<i>31st March-25 (Rs.)</i>	<i>31st March-24 (Rs.)</i>
1. Other Current Liabilities		
i) Interest payable	230	100
ii) Income tax payable	<u>400</u>	<u>1000</u>
Total	<u>630</u>	<u>1100</u>
2. Fixed Assets:		
Tangible 2,180 1,910		
Less: Accumulated depreciation(1,450) (1,060)		
730 850	730	850

Statement of Profit and Loss for the year ended-31 March, 2025

(Rupees in Lakhs)

<i>Particulars</i>	<i>Note No.</i>	<i>2025-March 31 (Rs)</i>
I. Revenue from operation		30,650
II. Other income	1	640
III. Total Revenue		31,290
IV. Less:- Expenses		
Cost of material consumed		26000
Finance cost (interest expenses)		
Depreciation		400
Other expenses (Admn. and selling expenses)		450
		<u>910</u>
Total expenses		<u>27760</u>
Profit before tax		<u>3530</u>
Less: Tax		(300)
Profit after tax		<u>3230</u>

Notes to Accounts:

<i>Particulars</i>	<i>Rs</i>
1. Other Income during the year 2024-25	
i) Interest Income	300
ii) Dividend Income	200
iii) Insurance Proceeds from earthquake disaster Settlement	<u>140</u>
Total	640

Additional Information:

(Rs 000)

- (i) An amount of Rs 250 was raised from the issue of share capital and a further Rs 250 was raised from long-term borrowings.

- (ii) Interest expense was Rs 400 of which Rs 170 was paid during the period. Rs 100 relating to interest expense of the prior period was also paid during the period.
- (iii) Dividends paid were Rs 1,200.
- (iv) Tax deducted at source on dividends received (included in the tax expense of Rs 300 for the year) amounted to Rs 40.
- (v) During the period, the enterprise acquired Fixed Assets for Rs 350. The payment was made in cash.
- (vi) Plant with original cost of Rs 80 and accumulated depreciation of Rs 60 was sold for Rs 20.
- Note- Trade Receivables and Trade Payables include amounts relating to credit sales and credit purchases only.

Required:- Prepare **Cash Flow Statement (By Indirect Method):**

showing (a) Cash from Operating Activities, (b) Cash from Financing Activities and (c) Cash from Investing Activities from the above information. Show working clearly. **(10+10+10=30 Marks)**

Q.No2. From the following particulars relating to a cost sheet, calculate (a) units to be produce per year (b) Total Cost and (c) Sale per unit :

A factory can produce 60,000 units per year at its 100% capacity. The estimated cost of production is as under:

Direct Material-	Rs. 3 per unit
Direct Labour-	Rs. 2 per unit
Indirect Expenses-	
Fixed -	Rs. 1,50,000 per year
Variable-	Rs. 5 per unit
Semi- variable-	Rs.50,000 per year up to 50% capacity

and an extra expense of Rs.10,000 for every 25% Increase in capacity or part thereof.

The factory produces only against order and not for stock. If the Production program of the factory is as indicated below and the management desires to ensure a Profit is 20% of the sale, work out the average selling price at which per unit should be quoted:

First 3 months of the year 50% of capacity remaining 9 months 80% of the capacity. Ignore selling, distribution and administration overheads. **(3+12+5=20 Marks)**

Q.No.3. The financial books of a company reveal the following data for the year ended on March 31, 2025.

Particulars	Amount (Rs.)
Opening - Finished goods (875 units)	74,375
W-I-P	32,000
Raw materials consumed	780,000
Direct Labour	4,50,000
factory overheads	3,00,000

Administration overheads	295,000
Goodwill	1,00,000
Dividends paid	85,000
Bad debts	12,000
Selling and distribution overheads	61,000
Interest Received	45,000
Rent received	18,000
Sales (14500 units)	20,80,000
Closing Stock - Finished goods (375 units)	41,250
W-I-P	38,667

The cost records provide as under :

- Factory overheads are absorbed at 60% of direct wages
- Administration overheads are recovered at 20% of factory cost.
- Selling and distribution overheads are charged at Rs. 4 per unit sold.
- Opening stock of finished goods is valued at Rs.104 per unit
- The company values work-in-progress at factory cost-both for financial and cost profit reporting.

Required:

(a) Prepare statements for the year ended on March 31, 2025 and show - the profit as per financial records and the profit as per costing records

(b) Present reconciliation statement reconciling profits as per costing records with the profits as per financial records. **(4+4+7=15 Marks)**

OR

Q.No.3. Details of receipts and issues of a material in a factory during March are as follows:

March 1st	Opening balance 500 quintals @ Rs.25
3rd	Issued 70 quintals
4 th	Issued 100 quintals
8 th	Issued 80 quintals
13 th	Received from vendor 200 quintals @ Rs.24.50
14th	Return of surplus from a work order 15 quintals @ Rs.24
16 th	Issued 180 quintals
20th	Received from vendor 240 quintals @ Rs.26
24th	Issued 280 quintals
25th	Issued 140 quintals
27th	Return from a work order 12 quintals @ Rs.24.50
28th	Received from vendor 100 quintals @ Rs.25
29 th	Returned to vendor 50 quintals.

Note-There was shortage of 5 quintals on 15th and 8 quintals on 27th.

Required- Write up stores ledger using FIFO and LIFO method. **(8+7=15 Marks)**

Q.No.4. Sarnath owns and operates a small factory that manufactures plastic bottles which he sells to bottling companies.

Additional information:

- Annual demand is 1 million bottles spread evenly over the year
- Setup cost is Rs.5000 per batch
- Holding cost is Rs.3 per annum for each bottle
- Maximum production capacity is 2 million bottles per annum
- Currently, bottles are manufactured in 10 batches

A. Find the optimum production quantity (OPQ) that Sarnath should produce to minimize his costs

B. Calculate the current annual holding cost and setup cost

C. Calculate the savings to Sarnath if he adopts the Economic Batch Quantity (EBQ).

(4+3+3 Marks)

OR

On January 01, 2022, Krishna Transport Co. purchased five trucks for Rs. 20,000 each. Depreciation has been provided at the rate of 10% p.a. using straight line method (SLM) and accumulated in provision for depreciation account. On January 01, 2023, one truck was sold for Rs. 5,000. On July 01, 2024, another truck (purchased for Rs. 20,000 on Jan, 01,2022) was sold for Rs. 28,000. A new truck costing Rs. 30,000 was purchased on October 01, 2024. The Co. Change the method of charging depreciation from 01 January 2024 from SLM to Written Down Value Method (WDV) @ 20% pa.

You are required to prepare (a) trucks account, (b) Provision for depreciation account and (c) Truck disposal account for the years ended on December 2022, 2023 and 2024 assuming that the firm closes its accounts in December every year. **(4+3+3=10 Marks)**

OR

Q.No. 4. A proforma cost sheet of a company provides the following particulars:

<u>Elements of Cost</u>	<u>Amount per unit Rs.</u>
Raw Material	80
Direct Labour	30
Overheads	<u>60</u>
Total Cost	<u>170</u>
Profit	<u>30</u>
Selling Price	200

The following further particulars are available: Raw materials are in stock on an average for one month. Materials are in process on an average for half a month. Finished goods are in stock on an average for one month. Credits allowed by suppliers are for one month. Credit is allowed to customers for two months. Lag in payment of wages is 1½ weeks. Lag in payment of overhead expenses is one month. One fourth of the output is sold against cash. Cash in hand and at bank is expected to be Rs.25,000.

You are required to prepare a statement showing the working capital needed to finance a level of activity of 1,04,000 units of production.

You may assume that production is carried on evenly throughout the year, wages and overheads accrue similarly, and a time period of 4 weeks is equivalent to a month.

(10 Marks)

Out of seven questions (Q.Numbers. 5 to11) attempt any five questions.

(5 x 15=75 Marks)

Q.No.5. Define cost centre. What are the different types of cost centre .Explain briefly and write about its purposes. (3+9+3=15 Marks)

Q.No. 6. Explain with examples the different methods of costing. Choosing the right method of costing for a newly startup business what factor do you consider. (10+5=15 Marks)

Q.No.7. Define working capital. How do you classify working capital? What are the grounds on which a company decides the requirement of its working capital, write the factors affecting the requirement of working capital. (3+4+8=15 Marks)

Q No. 8 A Cash Manager of a company has to meet day-to-day expenses. Write the objectives and functions of cash management. Explain motive for holding the cash and the technique to control the cash. (3+4+4+4=15 Marks)

Q.No. 9- What is Financial Management? Explain Objectives and scope of Financial Management and write Functions of Financial Management (3+7+5=15 Marks)

Q.No.10- Why are Financing Arrangements important for business today? What are Financing Arrangements? Why is it important for an event tomorrow? (6+6+3=15 Marks)

Q.No.11- The primary goal of inventory control is to ensure that the right amount of inventory is available at the right time, in the right place, and at the right cost. Do you agree? Explain. Comment on the different Techniques of Inventory Control in brief. Write advantages and disadvantages of ABC analysis system. (3+7+5=15 Marks)