

C 3501

B.C.A. (Three Year) DEGREE EXAMINATION, NOVEMBER 2016.

Third Semester

Part – II

ACCOUNTING AND FINANCIAL MANAGEMENT

Time : 3 Hours

Max. Marks : 70

PART — A

Answer any FIVE of the following questions. **(5 × 4 = 20 Marks)**

1. Limitations of Financial Accounting.
2. Types of Subsidiary Books.
3. Scope of Financial Management.
4. Objectives of Budgetary Control.
5. Advantages of Ratio Analysis.
6. Accounting Cycle.
7. Distinguish Trial Balance and Balance Sheet.
8. Commonsize Statements.

PART — B

Answer ALL the following questions. **(5 × 10 = 50 Marks)**

UNIT I

9. (a) Journalise the following transactions in the books of Govind.
- 2016 April 01 Govind commenced business with the following assets and liabilities
- Cash ₹ 1,00,000
- Stock ₹ 75,000
- Machinery ₹ 90,000
- Furniture ₹ 5,000
- Creditors ₹ 1,00,000

Turn Over

April 04 Sold goods to Kamal ₹ 1,15,000.
 April 07 Bought goods from Ajay ₹ 75,000
 April 09 Paid to Ajay ₹ 50,000 on account
 April 11 Withdraw cash for personal use ₹ 3,500
 April 13 Received commission ₹ 6,000
 April 15 Furniture purchased ₹ 9,000
 April 17 Brought in additional capital ₹ 25,000
 April 18 Issued a cheque for rent ₹ 6,000
 April 19 Draw from bank for personal use ₹ 4,000
 April 21 Paid life insurance premium ₹ 1,327

Or

(b) Explain in brief the basic accounting concepts.

UNIT II

10. (a) Enter the following transactions in the proper subsidiary books.
- 2016 March 01 Purchased goods from Kamala & Co. ₹ 25,000
 March 04 Sold goods to Susheela ₹ 15,000
 March 07 Goods purchased from Vimala ₹ 20,000
 March 10 Sold goods to Kala ₹ 22,000
 March 14 Sold goods to Surya ₹ 17,000
 March 17 Goods returned by Kala ₹ 2,000
 March 19 Goods returned to Kamala & Co. ₹ 3,000
 March 21 Goods returned to Vimala ₹ 1,250
 March 23 Goods returned by Surya ₹ 700
 March 27 Sold goods to Vijaya ₹ 12,500.

Or

(b) The following balances were extracted from books of Shri Dhanpal on 31st December 2016.

Particulars	Debit Rs.	Credit Rs.
Capital		24,500
Drawings	2,000	
General expenses	2,500	
Buildings	11,500	

Particulars	Debit Rs.	Credit Rs.
Machinery	9,030	
Stock (1 st January 2016)	16,000	
Power	2,240	
Taxes and insurance	1,315	
Wages	7,200	
Sundry debtors	6,280	
Sundry creditors		2,500
Charity	105	
Bad debts	550	
Bank overdraft		11,180
Sales		65,360
Purchases	47,000	
Scooter	2,000	
Stationary expenses	500	
Bad debts provision		900
Commission		1,320
Trade expenses	1,280	
Bills payable		3,840
Cash	100	
	<u>1,09,600</u>	<u>1,09,600</u>

Adjustments :

- (i) Stock on 31st December 2016 was valued at ₹ 23,500
- (ii) Depreciate machinery at 10% and Scooter by ₹ 240
- (iii) Provide ₹ 700 for outstanding interest on bank overdraft
- (iv) Prepaid insurance is to the extent of ₹ 50
- (v) Write off further bad debts of ₹ 160 and maintain provision for bad debts at 5% on debtors.

Prepare trading, profit and loss account and balance sheet.

UNIT III

11. (a) Balance sheets of Star Ltd for the years ended 31st December 2015 and 2016 are as follows :

Liabilities	31 st December		Assets	31 st December	
	2015	2016		2015	2016
	₹	₹		₹	₹
Equity share capital	8,00,000	8,00,000	Buildings	6,00,000	5,40,000
10% pref. share capital	6,00,000	6,00,000	Land	2,00,000	2,00,000
General reserve	4,00,000	4,90,000	Plant	6,00,000	5,40,000
15% debentures	2,00,000	3,00,000	Furniture	2,00,000	2,80,000
Creditors	3,00,000	4,00,000	Stock	4,00,000	6,00,000
Bills payable	1,00,000	1,50,000	Debtors	4,00,000	6,00,000
Tax payable	2,00,000	3,00,000	Cash	2,00,000	2,80,000
	26,00,000	30,40,000		26,00,000	30,40,000

Prepare a comparative balance sheet and offer your comments.

Or

- (b) From the following information, prepare a common size income statement and comment on that.

Particulars	2015	2016
	₹	₹
Sales	2,00,000	2,25,000
Cost of goods sold	40,000	55,000
Operating expenses	85,000	66,000
Non-operating expenses	10,000	6,000
Tax rate	40%	40%

UNIT IV

12. (a) The following figures are available from the books of Makala Ltd.

Year	2015	2016
	₹	₹
Sales	2,00,000	3,00,000
Loss	20,000	-
Profit	-	30,000

Calculate :

- (i) Fixed cost
- (ii) B.E.Ps
- (iii) Sales required to earn a profit of ₹ 60,000
- (iv) Profit (or) loss at a sales of ₹ 2,50,000.

Or

- (b) From the following information, prepare a flexible budget for overheads at 50%, 60% and 70% capacity levels of production.

	At 60% capacity
	₹
Fixed overheads :	
Depreciation	20,000
Salaries	40,000
Insurance	10,000
Semi-variable overheads :	
Repairs and maintenance (20% variable)	30,000
Electricity (50% fixed)	24,000
Variable overheads :	
Indirect material	36,000
Indirect wages	48,000
Total overheads	2,08,000

UNIT V

13. (a) Prepare a profit and loss A/c and a balance sheet with as many details as possible from the following information.

Gross profit ratio	25%
Net profit ratio	15%
Stock turnover	10 times
Net profit to proprietary fund	1:1
Total outside liability to proprietary fund	2:1
Total assets	₹ 12,00,000
Closing stock	₹ 1,00,000

Or

- (b) From the following information, prepare the funds flow statement for the year ended 31st March 2016.

Liabilities	Balance sheets as on				
	31 st March		Assets	31 st March	
	2015	2016		2015	2016
	₹	₹		₹	₹
Share capital	2,00,000	3,00,000	Land and buildings	1,20,000	1,70,000
Profit and loss A/c	40,000	90,000	Machinery	1,60,000	2,40,000
Bank loan	1,00,000	60,000	Stock	60,000	40,000

Liabilities	31 st March		Assets	31 st March	
	2015	2016		2015	2016
	₹	₹		₹	₹
Creditors	50,000	75,000	Debtors	50,000	50,000
Bills payable	40,000	25,000	Cash	40,000	50,000
	<u>4,30,000</u>	<u>5,50,000</u>		<u>4,30,000</u>	<u>5,50,000</u>

Additional information :

- (i) Net profit for the year 2015-16 amounting to ₹ 50,000
- (ii) During the year 2015-16, a machinery costing ₹ 50,000 (accumulated depreciation – ₹ 20,000) was sold for ₹ 25,000.

The provision for depreciation against machinery as on 31st March 2015 was ₹ 30,000 and on 31st March 2016 was ₹ 70,000.
