

C 3501

B.C.A. (Three Year) DEGREE EXAMINATION, OCTOBER/NOVEMBER 2017.

End Semester Examination

Third Semester

Part – II

(Regular/Supplementary)

ACCOUNTING AND FINANCIAL MANAGEMENT

Time : 3 Hours

Max. Marks : 70

PART — A

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

1. Accounting cycle.
2. Types of subsidiary books.
3. Objectives of financial management.
4. Limitations of Break-Even-Analysis.
5. Importance of funds flow.
6. Significance of ratios.
7. Need for preparing Trial Balance.
8. Uses of Accounting.

PART — B

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

UNIT – I

9. (a) Journalise the following transactions :
- (i) Samanta started business with ₹10,000 cash and a building worth ₹50,000
 - (ii) Purchased goods worth ₹ 20,000 out of which goods worth ₹12,000 were on credit from Kajol
 - (iii) Sold goods on credit worth ₹ 16,000 to Shruthi
 - (iv) Received ₹15,600 from Shruthi in full settlement of her account
 - (v) Paid ₹ 11,800 to Kajol in full settlement of ₹ 12,000 due to her
 - (vi) Paid wages ₹500 and salaries ₹2,000

Turn Over

- (vii) With drew ₹ 500 from the business for personal expenses
- (viii) Sold goods to Anupama ₹ 2,500
- (ix) Goods returned by Anupama ₹ 500
- (x) Insurance premium due ₹ 1,250.

Or

- (b) Explain various concepts of accounting.

UNIT – II

10. (a) Enter the following transactions in the proper subsidiary books :
2017

March 1 Purchased goods from Susmita & Co. ₹ 50,000

“ 4 Sold goods to Shilpa ₹ 30,000

“ 7 Goods purchased from Priyanka ₹ 40,000

“ 10 Sold goods to Deepika ₹ 44,000

“ 14 Sold goods to Karishma ₹ 34,000

“ 17 Goods returned by Deepika ₹ 4,000

“ 19 Goods returned to Susmita & Co. ₹ 6,000

“ 21 Goods returned to Priyanka ₹ 2,500

“ 23 Goods returned by Karishma ₹ 1,500

“ 27 Sold goods to Namrata ₹ 25,000

Or

- (b) Prepare Trading, Profit and Account and Balance sheet from the following particulars as on 31st March 2017.

Trial Balance

Particulars	Debit	Credit
	₹	₹
Capital / Drawings	2,800	20,000
Cash-in-hand	3,000	–
Purchased / sales	24,000	30,000
Returns	2,000	4,000
Bank overdrafts @ 5%	–	4,000
Salaries	4,000	–
Taxes and Insurance	1,000	–

Provision for doubtful debts	–	2,000
Bad debts	1,000	–
Sundry debtors / creditors	10,000	3,700
Commission	–	1,000
Investments	8,000	–
Stock (as on 1.4.2016)	6,000	–
Furniture	2,200	–
Bills receivable / Bills payable	6,000	5,000
Sales tax collected	–	300
	<u>70,000</u>	<u>70,000</u>

Additional information :

- (i) Salary ₹ 200 and taxes ₹ 800 are outstanding
- (ii) Insurance paid-in-advance ₹ 100
- (iii) Depreciate furniture @ 10% p.a
- (iv) Stock as on 31st March 2017 is ₹ 9,000.

UNIT – III

11. (a) Convert the following balance sheets into comparative balance sheet and interpret the results.

Balance sheets as on 31st December 2014 and 2015

Liabilities	2014	2015	Assets	2014	2015
	₹	₹		₹	₹
Equity share capital	1,00,000	1,20,000	Cash	20,000	1,500
Capital reserves	9,000	18,500	Debtors	45,000	39,000
General reserves	50,000	45,000	Stock	32,000	25,000
Bank loan	9,000	10,000	Investments	30,000	25,000
Debentures	45,000	65,000	Buildings	80,000	1,40,000
Sundry creditors	20,000	15,000	Land	19,800	34,500
Others	1,500	2,000	Furniture	7,700	10,500
	<u>2,34,500</u>	<u>2,75,500</u>		<u>2,34,500</u>	<u>2,75,500</u>

Or

- (b) Following are the income statements of a company for the years ending Dec 31, 2013 and 2014.

	2013	2014
	(₹ is '000)	(₹ is '000)
Sales	1,000	1,400
Miscellaneous income	40	30
	<hr/>	<hr/>
	1,040	1,430
	<hr/>	<hr/>
Expenses :		
Cost of sales	650	1,020
Office expenses	40	50
Selling expenses	60	90
Interest	50	60
	<hr/>	<hr/>
	800	1,220
Net profit	240	210
	<hr/>	<hr/>
	1,040	1,430
	<hr/>	<hr/>

Prepare common-size income statement.

UNIT – IV

12. (a) From the following details, make out the balance sheet with as details as possible :

Stock velocity = 6

Capital turnover ratio = 2

Fixed assets turnover = 4

Gross profit turnover ratio = 20%

Debtors velocity = 2 months

Creditors velocity = 73 days

The gross profit was ₹ 60,000; reserves and surplus amounts to ₹ 20,000 closing stock was ₹ 5,000 in excess on opening stock.

Or

- (b) From the following balance sheets of Raj Ltd, prepare funds flow statement, including a schedule of changes in working capital for the year ended 31.12.2014.

Liabilities	31.12.2013	31.12.2014	Assets	31.12.2013	31.12.2014
	₹	₹		₹	₹
Share capital	70,000	74,000	Cash	9,000	7,800
Debentures	12,000	6,000	Debtors	14,900	17,700
Reserve for doubtful debts	700	800	Stock	49,200	42,700
Trade creditors	10,360	11,840	Land	20,000	30,000
Profit and loss a/c	10,040	10,560	Good will	10,000	5,000
	<u>1,03,100</u>	<u>1,03,200</u>		<u>1,03,100</u>	<u>1,03,200</u>

Additional information :

- (i) Dividend paid ₹ 3,500
(ii) During the year, land was purchased for ₹ 10,000

UNIT – V

13. (a) The following information relates to production and sale of an article for April and May 2017.

	April	May
	₹	₹
Sales	38,000	65,000
Profit	–	3,000
Loss	2,400	–

Calculate :

- (i) Break-even sales volume
(ii) Profit or loss ₹ 46,000 sales
(iii) Sales to earn a profit of ₹ 5,000

Or

- (b) The expenses budgeted for production of 10,000 units in a factory are :

	Per unit
	₹
Materials	70
Labour	25
Variable overhead	20

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Fixed overhead (₹ 1,00,000)	10
Direct variable expenses	5
Selling expenses (10% fixed)	13
Distributors expenses (20% fixed)	7
Administrative expenses (₹ 50,000)	5
Total cost per unit	<u>155</u>

Prepare a budget for the production :

- (i) 8,000 units and
- (ii) 6,000 units. Assume that administrative expenses are rigid for all levels of production.