

507

Seat No. _____

First Year B. C. A. (Semester-II) Examination

October/November - 2003

Accounting & Financial Management

Time : 3 Hours]

[Total Marks : 70

1. Prepare Trading and Profit & Loss A/c & Also Balance Sheet from the following balances of Shree Amar for the year ended on 31st March, 2003. 15

	Rs.		Rs.
Wages	25000	Interest Received	5000
Creditors	20000	Bills Receivable	15000
Bills Payable	15000	Bank Loan	10000
Prepaid Insurance	5000	Drawing	25000
Capital	200000	Building	60000
Furniture	10000	Salary	11000
Opening Stock	5000	Debtors	20000
Commission	5000	Interest on Loan of Vinod	600
10% Loan taken from Vinod		10% Loan to Krunal	
in Last year	10000	(on 1.7. 2002)	20000
Machinery	100000	Purchase	250000
Sales	300000	Sales Return	12000
Purchase Return	18000		

Adjustments :

- Closing Stock Rs. 25000. It required Repairs of Rs. 2000.
 - Salary is paid Rs. 1000 per month.
 - Calculate Depreciation on Furniture 10% and Machinery 12% and Building by 5%.
 - Provide Rs. 1000 for Bad Debts & 5% for Bad Debt Reserve on debtors.
 - Goods worth Rs. 5000 is taken for personal use during the year is recorded in Sales Book.
2. Journalise from the following transactions of Krina : 11
- Krina started business with Rs. 200000 cash, Loan of Mr. Jay Rs. 50000.
 - Deposited Rs. 150000 in Bank.
 - Goods purchase from Somil Rs. 100000 @ 20% trade discount and 10% cash discount. Half amount paid immediately by cheque.
 - Half of the goods purchased from Somil sold to Vedant at 20% profit on selling price.
 - Furniture purchased from Dinal worth Rs. 10000.
 - Vedant return goods worth Rs. 8000 and we returned to Somil.
 - Wages paid from bank Rs. 2500 and Rent paid Rs. 1500.
 - Somil's account is settled by deducting Rs. 250.
 - Vedant become bankrupt and paid 50% amount due from him.
 - Dharti is appointed as an Accountant at the salary of Rs. 5000 per month.
 - One month salary paid in advanced to Dharti.

OR

2. Write as per instructions :
- Explain the compensating error.
 - Differentiate between Revenue Income & Capital Income.
 - Write notes on Fund Flow Statement.

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3. From the following Receipt and Payments Account of cricket club and the additional 11 informations, prepare an Income & Expenditure Account for the year ended 31 December, 2002 and a Balance Sheet as on that date.

Receipts & Payments Account
for the year ended 31 December, 2002

Dr.	Rs.	Payments	Rs.
Receipts			
To Balance: Cash	3,520	By Crockery Purchased	3,650
Bank	27,380	By Maintenance	6,820
Fixed deposit at 6%	30,000	By Match Expenses	13,240
To Membership Subscription (including Rs. 600 for 1996)	40,000	By Salaries	11,000
To Entrance Fees	2,750	By Conveyance	820
To Donation	5,010	By Upkeep of Lawn	4,240
To Tournament Fund	20,000	By Postage Stamps	1,050
To Sale of Crockery (Book Value Rs. 1200)	2000	By Purchase of Cricket goods	9,720
To Interest on Fixed Deposits	900	By Sundry Expenses	2,000
		By Investments	5,700
		By Tournament Expenses	18,800
		By Balance : Cash	1200
		Bank	23320
		Fixed Deposit	30000
	1,31,560		54,520
			1,31,560

- Information : (a) Monthly Salary is Rs. 1000.
 (b) The value of unused postage stamps is as follows :
 31 Dec., 2001 Rs. 750, 31 Dec. 2002 Rs. 900.
 (c) Stock of cricket equipment is as follows :
 31 Dec., 2001 Rs. 3210, 31 Dec. 2002 Rs. 2800.
 (d) Arrears of membership subscription :
 31 Dec., 2001 Rs. 6600, 31 Dec. 2002 Rs. 8000
 (e) Donation and entrances fees are not to be capitalised.

OR

3. (a) Limitations of Computerised Accounting
 (b) Distinction between Receipt & Payment Account and Income & Expenditure Account. 11
 4. The Goodluck company's Financial Statements contain the following information :

	31-12-2001	31-12-2002
Machinery	2,00,000	1,60,000
Cash	1,20,000	1,60,000
Account Receivable, net	1,20,000	1,20,000
Inventories	2,00,000	2,40,000
Prepaid Expenses	40,000	40,000
Land	1,20,000	1,20,000
Building	2,40,000	2,00,000
Goodwill		40,000
Patent	1,00,000	70,000
Bills Payable	1,00,000	1,20,000
Wages & Taxes Outstanding	60,000	80,000
Income-tax Payable	40,000	80,000
5 % Mortgage Debenture	1,60,000	1,60,000
Share Capital	2,40,000	2,40,000
Retained Earnings	2,40,000	2,40,000
Creditors	2,00,000	1,60,000
Bank Overdraft	1,00,000	70,000

Condensed income statement of Goodluck & Co. for the year ending 31.12.2002

	2002	2001
Net Sales	24,00,000	12,00,000
Less Cost of Goods Sold	14,40,000	8,00,000
	9,60,000	4,00,000
Operating Expenses	6,24,000	2,00,000
Operating Profit	3,36,000	2,00,000
Interest	16,000	20,000
Income before Tax	3,20,000	80,000
Income tax provision	1,60,000	40,000
Net Income after tax	1,60,000	40,000

From the above information find out

1. Current Ratios
2. Liquid Ratios
3. Debtors (360 Days to be considered) Ratio
4. Gross Profit Ratio
5. Net Profit Ratio
6. Returned on Capital Employed
7. Returned on Share Capital

OR

4. (a) Limitations of Ratio Analysis.
- (b) Write notes on Operating Ratio and Debtors Ratio.
5. You are required to prepare a schedule of Changes in Working Capital and a Fund Flow Statement from the following comparative Balance Sheets of Manmohan Ltd. as on 31st December.

	2001	2002		2001	2002
Equity Share Capital	4,00,000	5,00,000	Land	6,00,000	6,00,000
Profit & Loss A/c	1,34,200	1,60,000	Buildings	4,00,000	4,00,000
General Reserve	1,31,800	1,42,000	Furniture	50,000	30,000
Loan(Long Term)	1,64,000	1,40,000	Debtors	1,10,000	1,50,000
Depreciation Fund	90,000	1,20,000	Bills Receivable	60,000	40,000
Sundry Creditors	1,37,200	1,70,000	Cash in Hand	6,200	54,000
Bills Payable	1,69,000	42,000			
	12,26,200	12,74,000		12,26,200	12,74,000

Additional Information : (a) Right shares were issued during the year for Rs. 50,000 (b) Land was purchased at a cost of Rs. 2,50,000 during the year. (c) Furniture costing Rs. 20,000 of which accumulated Depreciation of Rs. 7000 was sold for Rs. 1,0000. (d) Rs. 50,000 was paid as dividends during the year 2002. (e) Income Tax of Rs. 3,500 was also paid during the year 2002.

OR

5. (a) Write notes on Duties of Management Accountant.
- (b) Advantages of Computerised Accounting.
- 6 From the books of Account of M/s. Darshna Enterprises, the following details have been extracted for the year ending March, 2003.

Stock of Materials	: Opening	18,800
	: Closing	20,000
Salaries to Administrative Staff		4,000
Freight	: Inward	3,200
	: Outward	2,000
Material Purchased during the year		83,200
Direct Wages paid		23,840
Cash Discount Allowed		14,000
Indirect Wages		1,600
Bad debts written off		220

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Stock of Finished Goods :	
Opening :	20000
Closing :	25000
Sales	1,63,000
Rent Rates & Taxes : Factory	1,200
Office	640
Stock of Work-in-Progress :	
Opening :	10000
Closing :	15000
Travelling Expenses	1,240
Repairs to Plant & Machinery	4,240
Salesmen's Salary & Commission	3,360
Depreciation written off : Factory	2,840
Director's Fees	2,400
Electricity Charges (Factory)	4,800
Fuel (for Boiler)	6,400
General Charges	2,480
Manager's Salary	4,800
Furniture	2,400

Work-in-Progress is based on Factory Cost.

The Manager give time equally to the factory and the office.

From the above details you are required to prepare :

(a) Prime Cost; (b) Factory Overhead ; (c) Factory Cost ; (d) Cost of Production and (e) Total Cost. (f) Profit.

OR

- 6 (a) Prepare Cost Sheet showing as much item you can.
(b) Classify the following Accounts in Real, Personal and Nominal Account & also its possible Balance :

Goodwill	Outstanding salary	Bills Payable
Investment	Loss due to Goods Destroyed	Drawing
Bad debt Recovered,	Interest on Capital	Bank Loan