

MC-503

Seat No. _____

First Year B. C. A. Examination

March / April - 2004

Accounting & Financial Management

Time : Hours]

[Total Marks : 70

1 On 31-12-2001 the following Trial Balance was prepared 14
from the books of Raju :

	Dr. (Rs.)	Cr. (Rs.)
Sundry debtors	50,600	
Sundry creditors	-	10,000
Bills receivables	5,000	-
Plant and machinery	75,000	-
Purchases	90,000	-
Capital	-	70,000
Freehold premises	50,000	-
Salaries	11,000	-
Wages	14,400	-
Postages and stationery	750	-
Carriage in ward	750	-
Carriage out ward	1,000	-
Bad debts	950	-
Bad debts provisions	-	350
General charges	1,500	-
Cash at bank	5,300	-
Cash in hand	800	-
Bills payable	-	5,000
Reserve	-	20,000
Sales	-	2,31,700
Closing stock	30,000	-
Total :	3,37,050	3,37,050

MC-503]

1

[Contd...

PL-0608]

1

[Contd...

The following adjustments are required :

- (1) Raju gets a salary of Rs. 9,000 p.a.
- (2) Allow 5% interest on capital.
- (3) Bad debts provision to be adjusted to $2\frac{1}{2}\%$ on sundry debtors.
- (4) $2\frac{1}{2}\%$ of the net profit to be credited to reserve.
- (5) It was discovered in January 2001 that stock sheets as on 31-12-2000 were overcast by Rs. 1,000.

You are required to prepare trading and profit and loss account for the year ended 31st December, 2001 and a balance sheet as at that date.

- 2 From the following transactions of M/s. J. Choudhary, 12
write up his cash book (three column form) bringing down
the balance as on May 31, 2002 :

May 1	Balance at bank.....	1,50,000
May 2	Drew from bank for office use.....	50,000
May 3	Bought office furniture for cash.....	32,000
May 8	Paid wages in cash.....	15,000
May 14	Drew from bank for office use.....	25,000
May 16	Sold goods for cash.....	22,000
May 19	Received a cheque from B Batiwala & Co. in settlement of their account of Rs. 75,000 less 5 percent.	
May 23	Bought goods for cash.....	45,000
May 25	Drew cheque for self.....	40,000
May 31	Paid Agrawal's account Rs. 40,000 by cheque less $2\frac{1}{2}$ percent.	

OR

MC-503]

2

[Contd..

2 (a) Prepare purchase returns book (returns outward) 6
from the following particulars :

- July 1 returned to Sumit Prakash 50 m of cloth @ Rs. 20
- July 15 Bharat Kumar & Sons 10 sarees @ Rs. 300
- July 20 Pream Chandra 200 m of cloth @ Rs. 70
- July 31 Bihari Brothers 100 m of cloth @ Rs. 100

(b) Enter the following transaction in the sales book of 6
M/s. Premkumar of New Delhi 2002 :

- May 7 Sold to Manish Gupta, Delhi 100 bags of Rice @ Rs. 450/- per bag 10 bags of wheat @ Rs. 500/- per bag.
- May 9 Sold to Rajinder Singh, Patiala 80 Bags of Rice @ 500/-Rs. per bag 30 bags of Rice @ 550/- per bag trade discount allowed @ 10%.
- May 11 Sold to Ranvir Singh, Agra 100 Bags of wheat @ Rs. 550/- per bag trade discount allowed 10%.

3 From the following Balance Sheets and additional 12
information given, you are required to calculate funds from operations for the year 2000.

	1-1-2000	31-12-2000
	Rs.	Rs.
Share capital	1,00,000	1,50,000
General reserves	30,000	30,000
Profit and loss a/c	20,000	22,000
6% debentures.....	80,000	80,000
Creditors	65,000	58,000
Provision for tax	5,000	10,000
	3,00,000	3,50,000

MC-503]

[Contd...

PL-0608]

1

[Contd...

Land and buildings	1,00,000	95,000
Plant and machinery	80,000	90,000
Stocks	70,000	1,10,000
Debtors	20,000	25,000
Investments	–	10,000
Cash	10,000	10,000
Goodwill	20,000	10,000
	3,00,000	3,00,000

Additional information :

- (1) During 2000, dividends of Rs. 15,000 were paid.
- (2) Depreciation written off plant and machinery amounted to Rs. 6,000 and no depreciation has been charged on land and buildings.
- (3) Provision for tax made during the year Rs. 5,000.
- (4) Profit on sale of machinery Rs. 2,000.

Define the term working capital. What factors would you take into consideration in estimating working capital needs of a concern.

4 From the following information prepare a cost sheet to show : 12

- (a) Prime cost
- (b) Works cost
- (c) Cost of production
- (d) Cost of sales and
- (e) Profit.

	Rs.
Raw materials purchased	32,250
Carriage on purchases	850
Direct wages	18,450
Factory overhead	2,750

95,000	Selling overhead	2,450
90,000	Office overhead	1,850
10,000	Sales	75,000
5,000	Sale of factory scrap	250
0,000	Opening stock of finished goods	9,750
0,000	Closing stock of finished goods	11,100

OR

4 Journalise the following transactions in the books of 12
Shri Shiv Kumar Gupta :

2002

(Rs.)

Jan. 1	Commenced business with	50,000
Jan. 2	Goods purchased for cash	30,000
Jan. 3	Paid freight	2,000
Jan. 7	Goods sold to Rajanikant on credit	13,000
Jan. 8	Paid for stationery	1,000
Jan. 9	Paid for rent	5,000
Jan. 10	Cash received from Mohandas	15,400
	Allowed him discount	600
Jan. 17	Paid premium	4,000
Jan. 19	Paid postage	100
Jan. 20	Rakesh was declared insolvent, fifty praise in the rupee was received from his estate, total debt being Rs. 10,000	
Jan. 29	Paid for salaries	8,000

MC-503]

5

[Contd...

[Contd...

5 From the data, calculate the following ratios :

- (1) Gross profit ratio
- (2) Net profit ratio
- (3) Current ratio and
- (4) Debt-equity ratio

Net sales Rs. 30,000, cost of sales Rs. 20,000, Net profit Rs. 3,000, Current assets Rs. 6,000, Stock Rs. 1,000, Current liabilities Rs. 2,000, Paid up share capital Rs. 5,000, Debentures Rs. 2,500.

OR

5 The receipts and payments account of Navkar football club for the year ended 31st March 1992 was as under :

<i>Receipts</i>	<i>Rs.</i>	<i>Payments</i>	<i>Rs.</i>
To Balance b/d 1-4-91	48,000	By purchase of balls	80,000
Subscriptions received	2,46,000	Tournament fees	10,000
Interest	2,000	Affiliation fees	2,000
Sales of furniture	10,000	Rent of playground	5,000
Donation for club building	60,000	Refreshment expenses	4,000
		Travelling expenses	30,000
		Instrument purchased at face value	1,00,000
		Office expenses	8,000
		Salary	12,000
		Balance c/d 31-3-92	1,15,000
	3,66,000		3,66,000

MC-503]

6

[Contd...

12

Prepare the club's income and expenditure account for the year ended 31st March 1992 and the Balance sheet as on that date, after taking the following information into account :

- (1) The subscriptions received include Rs. 10,000 outstanding subscription of the year 1990-91. Subscriptions for the year 91-92 amounting to Rs. 16,000 is still outstanding from members. Some members have paid subscription for the year 1992-93 amounting to Rs. 8,000 which is included in the subscriptions received.
- (2) Interest accrued but not received Rs. 500.
- (3) The books value of the furniture sold was Rs. 14,000.
- (4) The rent of playground Rs. 6,000 and salary Rs. 5,000 of the year 1991-92 are still outstanding and rent of playground of the year 1990-91, Rs. 1,000 has been paid during this year.
- (5) There is a stock of balls with the club Rs. 4,000 on 31st March, 1992.

6 Write short notes on : (any two)

8

- (1) Write a note on trade discount and cash discount
- (2) Entity concept
- (3) Money measurement concept
- (4) Limitations of ratio analysis.

MC-503]

[800]