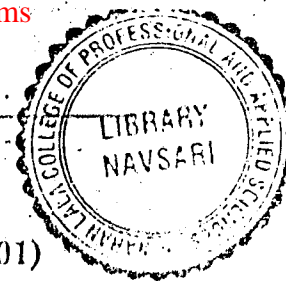


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Seat No.



B. C. A. (Sem. II) Examination

October / November - 2002

Accounting & Financial Management (201)

Time : 3 Hours]

[Total Marks : 70

- Instructions :
- (i) Figures to the right indicate full marks of the questions.
 - (ii) Show necessary workings as parts of your answers.
 - (iii) Question 1 and 2 are compulsory. Answer the rest on the basis of internal options.

- 1 State with reasons whether the following statements are "true" or "false" : 10
- (a) Profit and loss account shows the financial position of the concern.
 - (b) Expenses made to keep the machine in working condition is a capital expenditure.
 - (c) The balance in the Petty cash book represents expense.
 - (d) Providing depreciation ensures sufficient cash for asset replacement.
 - (e) Fixed costs remain relatively unaffected in a defined period of time.
 - (f) The trial balance ensures the arithmetical accuracy of the books.
 - (g) Wrong posting of subsidiary books does not affect the trial balance.
 - (h) The sales day book is a part of the ledger.
 - (i) Depreciation cannot be provided in case of loss, in a financial year.
 - (j) Balance sheet shows the financial position of the concern.

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2 The following is the trial balance of *Shri Snehal* as on 12 31-12-2001 :

Particulars	Rs.	Particulars	Rs.
<i>Snehal's</i> capital A/c	76,690	Bank interest (pr.)	1,100
Stock (31-12-2000)	46,800	Printing & stationery	14,400
Sales	3,89,600	Bank balance	8,000
Returns inwards	8,600	Discount earned	4,440
Purchases	3,21,700	Furniture & fittings	5,000
Returns outwards	5,800	Discount allowed	1,800
Carrage inwards	19,600	General expenses	11,450
Rent & taxes	4,700	Insurance premium	1,300
Salaries & wages	9,300	Postage & Telefax	2,330
Sundry debtors	24,000	Cash balance	380
Sundry creditors	14,800	Travelling expenses	870
Bank loan @ 14%	20,000	Drawings	30,000

Adjustments :

- (i) Included among the debtors is Rs. 3,000/- due from *Priyanka* and included among the creditors Rs. 1,000/- due to her.
 - (ii) Provision for bad debts be created @ 5% and for discount @ 2% on sundry debtors.
 - (iii) Depreciation on furniture and fittings @ 10% shall be provided.
 - (iv) Personal purchases of *Snehal* Rs. 600/- were recorded in the purchases day book.
 - (v) Interest on the bank loan shall be provided for the whole year.
 - (vi) $\frac{1}{4}$ th of printing and stationery is prepaid.
 - (vii) Credit purchase invoice of Rs. 400/- was omitted from the books but included in the closing stock.
 - (viii) Stock on 31-12-2001 was Rs. 78,600/-.
- Prepare final accounts of *Shri Snehal* as on 31-12-2001.

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3. Journalise the following transactions in the books of *Shri J. B. Shah* (without narration) for the month of April - 2002 :

Date	Transactions	Rs.
2/4/2002	Shri J. B. Shah started his business with	50,000/-
3/4/2002	Purchased goods from G. K. Roowala	5,000/-
4/4/2002	Sold goods to R. C. Shukla	1,000/-
5/4/2002	Deposited into Vyara Co-operative Bank	10,000/-
6/4/2002	Paid G. K. Roowala by cheque	5,000/-
7/4/2002	Sold goods to K. N. Chavda against cheque	500/-
9/4/2002	Received a cheque from R. C. Shukla at 6 p.m.	1,000/-
10/4/2002	Sent R. C. Shukla's cheque to bank	1,000/-
11/4/2002	Bank informed that R. C. Shukla's cheque is dishonoured and bank has debited dishonour charge Rs. 20/-.	
12/4/2002	With drawn from bank	1,000/-
13/4/2002	With drawn from bank for personal use	1,000/-
30/4/2002	Paid rent to land lord Mr. Sharda by cheque	1,000/-

OR

3. Prepare a cash book with suitable columns in the books of *Shri D. Jamnadas* : 2002

April 1 Cash in hand Rs. 28,000/-, Cash at bank Rs. 81,000/-.

April 3 Received from *Joseph* Rs. 15,000/- and allowed him a discount of Rs. 20/-.

April 7 Deposited into bank Rs. 40,000/-.

April 8 Received for cash sales Rs. 1,000/- and cheque Rs. 1,900/-.

April 10 Paid *George* by cheque Rs. 5,700/- in settlement of his account for Rs. 6,000/-.

April 11 Cash purchases by cheque Rs. 7,000/-.

April 15 Drew for office use Rs. 3,500/-.

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- April 17 Advertisement expenses paid Rs. 500/-.
- April 20 Sam paid direct into our account in the bank Rs. 6,200/-.
- April 22 Withdrew cash for personal use Rs. 1,700/-.
- April 26 Paid rent by cheque Rs. 2,000/-.
- April 27 Received from Raja a cheque for Rs. 4,900/- and allowed him a discount of Rs. 100/-.
- April 29 Received commission by cheque Rs. 2,200/-.
- April 30 Cash in excess of Rs. 4,000/- was deposited into bank.

- 4 From the following balance sheets of *Parthasarathi Ltd.* prepare :
- (i) Statement of changes in working capital
- (ii) Funds flow statement
- (iii) Schedules of working notes.

Liabilities	31/3/2001	31/3/2002	Assets	31/3/2001	31/3/2002
Share capital	1,25,000	1,50,000	Goodwill	5,000	12,000
Profit & Loss A/c.	42,000	62,000	Land & Bldgs.	27,000	15,000
12% debentures	80,000	—	Investments	10,000	15,000
Creditors	45,000	20,000	Stock	1,20,000	87,000
Bills payable	35,000	23,000	Debtors	90,000	98,000
			Cash in hand	70,000	25,000
			Preliminary expenses	5,000	3,000
	3,27,000	2,55,000		3,27,000	2,55,000

Additional information :

- (i) Land was sold for Rs. 24,000/-
- (ii) Dividend paid was Rs. 30,000/-
- (iii) Debentures were redeemed at a premium of 10%.

OR

4 Shri Ram Chandra Industries Ltd. submits the following information on 31st March, 2002. 12

	Rs.
(i) Sales for the year	5,50,000/-
(ii) Inventories as on 1-4-2001	
Finished goods	14,000/-
Work-in-process	8,000/-
(iii) Purchases of materials for the year	2,20,000/-
(iv) Materials inventory as on 1-4-2001	6,000/-
(v) Materials inventory as on 31-3-2002	8,000/-
(vi) Direct labour cost	1,30,000/-
(vii) Factory overheads were 60% of the direct labour cost.	
(viii) Inventories as on 31/3/2002	
Finished goods	12,000/-
Work-in-process	16,000/-
(ix) Other expenses for the year were :	
Selling overheads 10% of sales	
Administrative over heads 5% of sales	

Prepare statement of cost in unit cost format.

5 Following is the profit and loss account and balance sheet of Sahaj Marg Ltd., for the year ending 31/3/2002. 12

Particulars	Rs.	Particulars	Rs.
To opening stock	99,500	By sales A/c.	8,50,000
To purchases A/c.	5,45,250	By closing stock	1,49,000
To incidental Exps.	14,250		
To gross profit	3,40,000		
	9,99,000		9,99,000
To operating Exps.		By gross profit	3,40,000
Selling & Distribution 30,000		By non-operating income :	
Administrative 1,50,000		Interest 3,000	
Finance 15,000	1,95,000	Profit on sale of shares 6,000	3,000
To non-operating expenses :			
Loss on sale of shares 4,000			
To net profit	1,50,000		
	3,49,000		3,49,000

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Balance Sheet as on 31/3/2002

Liabilities	Rs.	Assets	Rs.
Share Capital		Land & Bldgs.	1,50,000
20,000 equity shares of Rs. 10/- each	2,00,000	Plant & Machinery	80,000
Reserves	90,000	Closing stock	1,49,000
Profit & Loss Ac.	60,000	Sundry debtors	71,000
Current liabilities	1,30,000	Cash & Bank balance	30,000
	4,80,000		4,80,000

You are required to compute the following ratios :

- Operating ratio
- Operating profit: ratio
- Current ratio
- Stock turnover ratio
- Return on total assets
- Turnover of fixed assets.

OR

- Discuss the important of accounting ratios. 12
 - Explain with illustrations, the classification of overheads in costing.
- Write short notes : (any three) 12
 - Computerised accounting system
 - Fundamental accounting assumptions
 - Schedule VI in Ltd., company
 - Classification of accounts
 - Working capital cycle.

OR

6 The receipts and payments account for the year ending 31/3/2002 of Valsad medical society is as under : 12

Receipts	Rs.	Payments	Rs.
Balance b/f	1,00,000	Paid for medicines	3,00,000
Subscriptions	5,00,000	Honorarium to doctors	1,50,000
Donations	1,50,000	Salary	2,50,000
Interest at 10% on investments	1,00,000	Sundry expenses	10,000
Income of charity show	1,20,000	Purchase of equipment	2,00,000
		Expenses of charity show	20,000
		Balance c/f	40,000
	9,70,000		9,70,000

Additional information :

	1-4-2001	31-3-2002
	Rs.	Rs.
Subscriptions outstanding	8,000	12,000
Subscriptions received in advance	15,000	5,000
Stock of medicine	50,000	80,000
Cost of equipment	2,00,000	3,00,000
Cost of building	4,00,000	3,80,000

Capital fund on 1/4/2001 was Rs. 16,83,000. During the year medicines of Rs. 3,40,000 were purchased.

Prepare income and expenditure account for the year ending 31/3/2002 and balance sheet as on that date. The cost of investments calculated on the basis of the amount of interest received there on is to be shown in balance sheet.