

Roll No.

BCA-204(N)

B. C. A. (Second Semester) EXAMINATION, May, 2017

(New Course)

Paper Fourth

FINANCIAL ACCOUNTING AND MANAGEMENT

Time : Three Hours] [Maximum Marks : 75

Note : Attempt questions from all Sections as directed.

Inst. : The candidates are required to answer only in serial order. If there are many parts of a question, answer them in continuation.

Section—A 3 each

(Short Answer Type Questions)

Note : Attempt all questions.

1. (A) Differentiate between Book-keeping and Accounting.
- (B) Explain internal users of accounting.
- (C) Explain revenue expenditure and capital expenditure with examples.
- (D) What do you understand by acid test ratio and debt equity ratio ?

- (E) What do you understand by fund flow statement ?
- (F) Cost of each article in one rupee annual demand is 40000 units. Cost of carrying inventory is 20% cost per order is ₹ 10. Calculate economic order quantity.
- (G) What do you understand by cost of debt ?
- (H) Write importance of computers in Financial Accounting.
- (I) Explain the cost involved in maintaining accounts receivable.

Section—B

12 each

(Long Answer Type Questions)**Note :** Attempt any *two* questions.

2. What are Accounting Standards ? Why are the Accounting standards necessary ? Give in brief the Accounting Standards developed in India so far.
3. From the following Trial Balance of Sri S. Chand, prepare Trading and Profit and Loss Account for the year ended 31st March, 2017 and the Balance Sheet as at that date :

Trial Balance (As at 31st March, 2017)

Particulars	Dr. (₹)	Cr. (₹)
Capital	—	2,90,000
Drawings	7,600	—
Purchases and Sales	89,000	1,50,000

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Sales and Purchase Return	2,800	4,500
Stock on 1st April, 2016	12,000	—
Wages	8,000	—
Building	2,20,000	—
Carriage	20,000	—
Trade Expenses	2,000	—
Advertisement	2,400	—
Interest	—	3,500
Taxes and Insurance	1,300	—
Debtors and Creditors	65,000	12,000
Bills Receivable	15,000	—
Bills Payable	—	7,000
Cash at Bank	12,000	—
Cash in Hand	1,900	—
Salaries	8,000	—
	4,67,000	4,67,000

Adjustments :

- (i) Stock on 31st March, 2017 was valued at ₹ 15,000.
 - (ii) Insurance was prepaid to the extent of ₹ 400.
 - (iii) Outstanding liabilities were Salaries ₹ 2,000 and Taxes ₹ 1,300.
 - (iv) Depreciate building at 2% p.a.
4. (a) From the given ahead data of XYZ Ltd. calculate current ratio :

(₹)

Liquid Assets	37,000
Stock	10,000
Prepaid Expenses	3,000
Working Capital	30,000

- (b) From the following information calculate net profit ratio :

Total Sales	₹ 1,00,000
Return Inward	₹ 4,000
Cost of sales	₹ 60,000
Indirect expenses	₹ 20,000

5. (a) What is a Trial Balance ? What errors are disclosed by it ?
- (b) Prepare a Trial Balance from the following balances as on 31st March, 2017 :

Particulars	Amount (₹)
Stock (1-4-2016)	57,600
Purchases	1,64,000
Sales	3,20,000
Wages	32,320
Salaries	12,800
Repair charges	1,000
Return Inward	15,000
Return Outward	11,200
Carriage Inward	3,280

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Carriage Outward	6,400
Commission Received	1,600
Sundry debtors	48,400
Sundry creditors	14,600
Capital	1,80,000
Drawings	8,800
Furniture	24,000
Motor Car	1,60,000
Cash in hand	9,400
Bank Overdraft	50,800
Investments	40,000
Interest on Investment	4,800

Section—C

12 each

(Long Answer Type Questions)

Note : Attempt any *two* questions.

6. Write short notes on the following :

- (a) Preference shares
- (b) Equity shares
- (c) Debentures
- (d) Ploughing back of profit

7. Discuss the different types of working capital. Explain in brief various factors which determine its need.

8. What is Cash Management ? Discuss the problems of cash management.

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9. (a) A company issued 10% debentures for ₹ 2,00,000. Rate of tax is 50%. Calculate the cost of debt (before and after tax) if the debentures are issued at (i) par (ii) 10% discount (iii) 10% premium.

(b) From the following information find out the average collection period :

	₹
(1) Total Sales	40,00,000
(2) Cash Sales	8,00,000
(3) Sales Return	3,20,000
(4) Debtors (on 31-03-2017)	3,60,000
(5) Bills Receivable (on 31-03-2017)	80,000
(6) Provisions for Bad debts (on 31-03-2017)	40,000

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2,800