

Additions to Plant and Machinery (1-10-2015)	10,000
Debtors	30,000
Wages	12,000
Salaries	20,000
Bad debts	1,000
Purchases	1,20,000
Electricity charges	1,200
Telephone charges	2,400
General Expenses	3,000
Postage	1,800
Return Inward	900
Insurance Premium	1,500
Cash at Bank	40,000
	4,19,300

Particulars	Amount (Cr.) (₹)
Sales	2,27,800
Commission	500
Return outward	1,000
Creditors	40,000
Capital	1,50,000
	4,19,300

Prepare the Trading and Profit & Loss Account for the year ended 31st March, 2016 and Balance Sheet as on

(B-51)

Roll No. 09022348

BCA-204(N)

B. C. A. (Second Semester)
EXAMINATION, May, 2018

(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. Explain the following :
 - (A) Purpose of Accounting Information
 - (B) Revenue nature items
 - (C) Provision for doubtful debts
 - (D) Fund flow statement
 - (E) Objectives of financial management
 - (F) Application of computer in Accounting
 - (G) Owned capital and Borrowed capital

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(H) Economic Order Quantity

(I) Cost of debt

Section—B

12 each

(Long Answer Type Questions)

Note : Attempt any two questions.

2. Explain the following :

- (a) Cost concept
- (b) Dual Aspect concept
- (c) Revenue Recognition concept
- (d) Accounting period concept
- (e) Consistency convention
- (f) Conservatism convention.

3. The Balance Sheet of ABC Ltd. as on 31st March, 2017 was as follows :

Liabilities	Amount (₹)
Share Capital	6,00,000
Surplus	1,00,000
Debentures	3,00,000
Creditors	80,000
B/P	70,000
Other Current Liabilities	50,000
	12,00,000

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BCA-204(N)

Assets	Amount (₹)
Goodwill	3,00,000
Plant	6,00,000
Stock	1,00,000
Debtors	80,000
Cash	70,000
Misc. Assets	50,000
	12,00,000

Sales for the year ₹ 10,00,000

Cost of Sales ₹ 6,80,000

You are required to calculate :

- (i) Current ratio
- (ii) Quick ratio
- (iii) Inventory turnover ratio
- (iv) Average collection period
- (v) Proprietor's liabilities ratio.

4. The Trial Balance of a business as at 31st March, 2016 is given below :

Particulars	Amount (Dr.) (₹)
Opening Stock	25,000
Cash in hand	2,500
Furniture	8,000
Plant and Machinery	1,40,000

(B-51) P. T. O.

that date after taking into account the following adjustments :

- (i) Closing stock valued at ₹ 7,000.
- (ii) Outstanding wages ₹ 600 and Salaries ₹ 1,400.
- (iii) Depreciation is to be provided @ 5% on all fixed assets.
- (iv) Insurance premium paid in advance ₹ 200.

5. Analyse the following transactions. State the nature of accounts and state which account will be debited and which will be credited according to the traditional approach :

- (i) Dinesh started Business with cash ₹ 2,00,000.
- (ii) Purchase furniture for cash ₹ 50,000.
- (iii) Purchase goods from Mahesh ₹ 30,000.
- (iv) Sold goods to Shyam on credit ₹ 50,000.
- (v) Deposited cash into Bank ₹ 50,000 for opening an account
- (vi) Withdrew cash for personal use ₹ 8,000.
- (vii) Paid Mahesh by cheque ₹ 10,000.
- (viii) Withdrew cash from Bank for office use ₹ 10,000.
- (ix) Paid Salary ₹ 20,000.
- (x) Paid Interest on loan ₹ 5,000.
- (xi) Borrowed from Maresk ₹ 1,00,000.
- (xii) Deposited cash ₹ 50,000 directly to Business Bank A/c.

(Long Answer Type Questions)

Note : Attempt any *two* questions.

6. What is meant by Capitalization ? Explain the causes and consequences of overcapitalization and undercapitalization.
7. What do you understand by Receivables Management ? How is it important for a company ? Explain the factors affecting the size of receivables.
8. What do you mean by Working Capital ? Describe those factors which influence the composition of working capital.
9. Write notes on the following :
 - (i) Capital Gearing
 - (ii) Debentures
 - (iii) Cost of Capital
 - (iv) Objective of Cash Management