

III/BCA/303(R)

2008

(December)

BACHELOR OF COMPUTER APPLICATION

(Accounting And Financial Management)

Course No. 303

Full Marks: 75

Time: 3 hours

(Part - A : Objective)

(Marks : 25)

SECTION - I (10 Marks)

Choose the correct answer and place its code in the bracket provided: (1x10=10)

1. Pre-paid expenditure is shown as
 - a) an asset.
 - b) an expense.
 - c) a liability.
 - d) none of the above. ()

2. Nominal accounts are related to
 - a) expenses and incomes.
 - b) assets and liabilities.
 - c) customers.
 - d) none of the above. ()

3. Sales are equal to
 - a) cost of goods sold + profit.
 - b) cost of goods sold - gross sold.
 - c) gross profit - cost of goods sold.
 - d) none of the above. ()

(Contd/-)

4. Cost of goods produced include
- a) production cost and work-in-progress
 - b) work-in-progress and prime cost.
 - c) production cost and finished goods inventory.
 - d) none of the above. ()
5. FIFO method of pricing will be useful when prices are
- a) falling
 - b) stable.
 - c) rising.
 - d) none of the above. ()
6. Cost of goods purchased for resale is an example of
- a) revenue expenditure.
 - b) capital expenditure.
 - c) capital profit.
 - d) none of the above. ()
7. Heavy advertising to launch a new product is a
- a) deferred revenue expenditure.
 - b) capital expenditure.
 - c) revenue expenditure.
 - d) none of the above. ()
8. The trial balance checks
- a) the arithmetical accuracy of the books.
 - b) the honesty of the book-keeper.
 - c) valuation of closing stock.
 - d) none of the above. ()

in-progress
the cost.
of goods inventory.
()

when prices are
()

an example of
()

product is a
()

works.
()

9. Standard cost is a
- a) pre-determined cost.
 - b) fixed cost.
 - c) variable cost.
 - d) none of the above. ()
10. The total of all direct expenses is known as
- a) prime cost.
 - b) work cost.
 - c) administrative cost.
 - d) none of the above. ()

SECTION - II

(15 Marks)

Answer the following questions:

1. Double entry system. (2)

II

(15 Marks)

(2)

2. Flexible budget.

(3)

3. Current ratio.

(2)

(2)

Accounting equation.

(3)

5. Standard costing.

(2)

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(2)

6. Financial Accounting.

(3)

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(Part - B : Descriptive)

(Marks : 50)

Answer question No.1 and any three from the rest:

- (a) Following is the Trial Balance of Aizawl Company Ltd. as on 31st December, 1975. Prepare Trading A/C, Profit & Loss A/C and Balance sheet for the period: (15)

Trial Balance		Cr.	
Particulars	Amount Rs.	Particulars	Amount Rs.
Opening Stock	30,000	Sales	2,79,000
Freight Inward	1,85,000	Discount	3,000
Plant & Machinery	50,000	Rent	1,500
Prepaid Insurance	15,000	Bad debts reserve	200
Trade Receivable	3,950	Bills payable	4,800
Trade Debtors	20,000	Misc. Receipts	850
Trade Receivable	10,000	Sundry Creditors	26,000
Trade Receivable	9,250	Capital	50,000
Trade Receivable	2,780		
Trade Receivable	17,200		
Trade Receivable	6,230		
Trade Receivable	7,330		
Trade Receivable	1,300		
Trade Receivable	2,370		
Trade Receivable	1,790		
Trade Receivable	3,150		
Trade Receivable	<u>3,65,350</u>		<u>3,65,350</u>

(Contd/-)

Adjustments:

- (i) The Closing stock amounted to Rs. 20,000.
 - (ii) Depreciate plant & machinery at 9 % and Furniture at 10 % p.a.
 - (iii) Outstanding liabilities for wages Rs. 5000 and salaries Rs. 1750.
 - (iv) Provide a reserve for bad debts at 5 % on Sundry Debtors.
 - (v) Freight include Rs. 100 paid in advance.
- b) From the following particulars, calculate: $(2\frac{1}{2} \times 2 = 5)$
- (i) Break even point in terms of units.
 - (ii) Number of units that must be sold to earn profit of Rs. 90,000

	Rs.
Fixed Factory overhead cost	60,000
Fixed Selling overhead cost	12,000
Variable manufacturing cost per unit	12
Variable selling cost per unit	3
Selling price per unit	24

2. The Hyderabad Chemicals Co. supplies you the following details from its cost records: (10)

	Rs.
Stock of raw materials on 1st Sept, 1989:	75,000
Stock of raw materials on 30th Sept, 1989:	91,500
Direct wages:	52,500
Sales:	2,00,000
Purchase of raw materials:	66,000
Factory rent, rates and power:	21,250
Carriage outward:	2,500
Advertising:	3,500
Office rent and taxes:	2,500
Traveller's wages and commission:	6,500
Stock of finished goods on 1st Sept, 1989:	54,000
Stock of finished goods on 30th Sept, 1989:	31,000

Prepare a cost sheet giving the maximum possible break-up of cost and profit.

The expenses for the production of 5000 units in a factory are given as follows: (10)

	<u>Per Unit Rs.</u>
Materials	50
Labour	20
Variable overheads	15
Fixed overheads (Rs. 50,000)	10
Administrative expenses (5 % variable)	10
Selling expenses (20 % fixed)	6
Distribution expenses (10 % fixed)	5
Total cost per unit	<u>Rs.116</u>

You are required to prepare a budget for the production of 7,000 units.

OR

Discuss the basic accounting concepts and fundamentals accounting conventions. (10)

Explain the term management accounting. State the objectives of management accounting. (4+6=10)

OR

What is meant by ration analysis? Discuss the use and significance of ration analysis. (4+6=10)

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