

III/BCA/303(R)

2010

(December)

**BACHELOR OF COMPUTER APPLICATIONS**

Course No. 303 (Revised)

**(ACCOUNTING AND FINANCIAL MANAGEMENT)**

Full Mark : 75

(Part : B - Descriptive)

(Marks : 50)

*The figures in the margin indicates full marks for the questions*

**Answer question no. 1 and any three from the rest.**

1. From the following trial balance for Mr. Mukesh as on 31st Dec.2009, prepare Trading, Profit & Loss Account and Balance sheet. (5+7+8=20)

Name of Account	Amount(A)	Name of Account	Amount(A)
Sundry debtors	78,200	Capital account	80,000
Salaries	15,850	Bank loan	15,000
Furniture	10,000	Sales	2,50,850
Plant and machinery	20,000	Purchase return	1,740
Purchases	1,02,000	Reserve for bad debts	2,000
Sales return	3,100	Sundry creditors	44,560
Freight on sales	2,140		
Manufacturing expenses	9,500		
Goodwill	25,000		
Factory fuel and power	1,280		
Factory lighting	950		
Motor car	12,000		
General expenses	8,200		
Interest and bank charges	400		
Cash in hand	1,120		
Cash at bank	4,200		

*(Turn Over)*

Bad debts	1,400
Manufacturing wages	34,500
Stock (1.1.2009)	34,200
Building	24,000
Freight on purchase	1,860
Insurance and taxes	4,250

**Adjustment:**

- (1) Stock in hand on 31st dec.2009 was valued at 30,500.
- (2) Depreciation on plant & machinery by 10%, furniture by 5% and motor car by Rs 1,000.
- (3) Create reserve for bad debts at 5% on sundry debtors.
- (4) A commission of 1% on the gross profit is to be provided to works manager.
- (5) General Manager is to be allowed a commission @2% on net profit after charging Works Manager's and before charging Manager's commission.

2. From the following particulars prepare Prime cost, Factory cost, Cost of Production, Total cost and Profit for the period ended 31<sup>st</sup> Dec.1990. (10)

Particulars	Amount(A)	Particulars	Amount(A)
Raw materials	33,000	Rent and Taxes	500
Direct expenses	3000	Water supply	1200
Productive wages	35000	Factory insurance	1100
Unproductive wages	10500	Office insurance	500
Factory rent and taxes	7500	Legal expenses	400
Factory lighting	2200	Rent of warehouse	300
Factory heating	1500	Depreciation:	
Motive power	4400	Plant and machinery	2000
Haulage	3000	Office building	1000
Director's fees(works)	1000	Delivery vans	200
Director's fees(office)	2000	Bad debts	100

Factory cleaning	500	Advertising
Sundry office expenses	200	Sales department salaries
Estimating	800	
Upkeeping of delivery vans	700	
Factory stationary	750	
Bank charges	50	
Office stationary	900	
Commission on sales	1500	
Loose tools written off	600	
Sales	190000	

3. Write short notes on any two from the following. (2x5=10)

- Limitation of Financial accounting.
- Difference between Financial Accounting and Management Accounting
- Golden rules of Debit and Credit.
- Write down the advantages and disadvantages of Standard costing.

4. The expenses for budgeted production of 10,000 units in a factory are furnished below:

	Per unit (A)
Materials	75
Labour	30
Variable overheads	25
Fixed overheads(Rs 1,00,000)	15
Variable expenses(Direct)	5
Selling expenses(10% Fixed)	13
Distributive Expenses(15% Fixed)	7
Administrative Expenses(Rs 50,000)	5
<b>Total cost per unit:</b>	<b>175</b>

Prepare a budget for the production of 8,000 units.

5. Answer the following questions (2+2+6=10)

(a) Define Variance. What are the types of Variance.

(b) From the following data given below, calculate

(i) Material cost variance (ii) Material Price variance

Products	Std. Quantity (unit)	Std. price (A)	Actual Quantity	Actual price (A)
A	1050	2.00	1100	2.25
B	1500	3.25	1400	3.50
C	2100	3.50	2000	3.75

6. Define marginal costing. What do you mean by break-even-point?

Write down the advantages of marginal costing. (4+6=10)

7. The following is the balance sheet of NEW MIZORAM Ltd: (10)

Liabilities	Rs	Asset	Rs
9% preference share capital	500000	Goodwill	100000
Equity share capital	10,00000	Land & Building	650000
8% debenture	200000	Plant	800000
Long term loan	100000	Furniture & Fixture	150000
Bill payable	60000	Bill receivable	70000
Sundry Creditor	70,000	Sundry debtor	90000
Bank overdraft	30000	Bank balance	45000
Outstanding expenses	5000	Short term investment	25000
		Pre paid expenses	5000
		Stock	30000
	<u>1,96,5000</u>		<u>1,96,5000</u>

From the balance sheet calculate

(i) Current Ratio (ii) Acid Test Ratio

(iii) Absolute Liquidity Ratio.

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(November/December)

**BACHELOR OF COMPUTER APPLICATIONS**

Course No. 303 (Revised)

**(ACCOUNTING AND FINANCIAL MANAGEMENT)**

Full Mark : 75

(Part : A- Objective)

(Marks : 25)

*The figures in the margin indicates full marks for the questions.*

1. Tick (?) the correct answer in the bracket. (1 x 10 = 10)

i). The trial balance checks

- a) The arithmetic accuracy of the books. ( )
- b) The honesty of the book-keeper. ( )
- c) Evaluation of closing stock. ( )
- d) None of these. ( )

ii). Nominal a/c is related to

- a) Assets and liabilities. ( )
- b) Expenses and income. ( )
- c) Customer and Creditors ( )
- d) None of these ( )

iii). Which of the following statements is true?

- a) Ownership+Creditors=Capital ( )
- b) Capital+Creditors=Ownership ( )
- c) Capital+Liabilities=Total Assets ( )
- d) Capital+Assets=Total Liabilities ( )

*(Turn over)*

- iv). Which of the following constitute the cost of production?
- a) Prime cost+Factory overheads. ( )
  - b) Prime cost+ administrative overheads. ( )
  - c) Prime cost+selling & distributive overheads. ( )
  - d) Factory cost+office & administrative overheads ( )
- v). Margin of safety = .....
- a) Total sales - Total purchase. ( )
  - b) Total sales - Sales at BEP. ( )
  - c) Total profit - Total loss. ( )
  - d) None of the above. ( )
- vi). Labour Efficiency Variance = (Standard time - Actual time)X.....
- a) Standard wage rate ( )
  - b) Standard unit price ( )
  - c) Standard output ( )
  - d) Actual output ( )
- vii). Zero base budgeting overcomes the weakness of
- a) Conventional budgeting ( )
  - b) Summary budgeting ( )
  - c) Fixed budgeting ( )
  - d) Master budgeting ( )
- viii). Balance sheet contains
- a) Assets and liabilities ( )
  - b) Profit and loss ( )
  - c) Direct and indirect expenses ( )
  - d) None of the above ( )
- ix). Features of budgetary control .....
- a) Panning ( )
  - b) Co-ordination ( )
  - c) Control ( )
  - d) All of the above ( )

x). Indirect expenses are shown in

- a) Profit & loss a/c ( )
- b) Balance sheet ( )
- c) Trading a/c ( )
- d) Manufacturing a/c ( )

2. State whether the following statements is 'true' or 'false' (1x5=5)

- (a) Accounting is the language of business.
- (b) The "Posting" is done in the journal.
- (c) Management accounting studies the management aspect of accounting.
- (d) If the actual cost is less than the standard cost, the variance is favorable.
- (e) Marginal costing considered both variable and fixed cost.

3. Answer the following questions:

- a). Write down the accounting equation? (2)

b). What are the types of asset?

(2)

c). Differentiate between journal and posting.

(2)

d). Write down the advantages of cost accounting. (2)

e). What do you mean by Zero-based-budgeting? (2)

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