

Professional Course Exam., 2020

(2nd Semester)

BACHELOR OF COMPUTER APPLICATIONS

(Accounting and Financial Management)

Full Marks : 75

Time : 3 hours

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

SECTION—A

(Marks : 15)

Tick (✓) the correct answer in the brackets provided : 1×10=10

1. All the transactions are recorded in

(a) Journal first () (b) Ledger first ()

(c) Debit first () (d) Credit first ()

2. Writing of transaction in the Ledger is called

(a) accounting equation () (b) conventions ()

(c) journalizing () (d) posting ()

3. Trial Balance is

- (a) a statement () (b) an account ()
(c) a summary () (d) an information ()

4. Financial statements are prepared

- (a) at the end of calendar year ()
(b) at the end of assessment year ()
(c) at the end of accounting year ()
(d) at the end of academic year ()

5. The _____ ratios are primarily measures of return.

- (a) liquidity () (b) activity ()
(c) debt () (d) profitability ()

6. The two basic measures of liquidity are

- (a) inventory turnover and current ratio ()
(b) current ratio and liquid ratio ()
(c) gross ratio and operating ratio ()
(d) current ratio and average collection period ()

7. When standard costs are used, the amount of detailed record-keeping will normally

- (a) reduce () (b) increase ()
(c) stay the same () (d) None of the above ()

8. Management Accountancy is a structure for

- (a) costing () (b) accounting ()
(c) decision-making () (d) management ()

9. The main objective of budgetary control is

- (a) to define the goal of the firm ()
- (b) to coordinate different departments ()
- (c) to plan to achieve its goals ()
- (d) All of the above ()

10. Budgetary control system acts as a friend, philosopher and guide to the

- (a) management ()
- (b) shareholders ()
- (c) creditors ()
- (d) employees ()

Indicate whether the following statements are *True (T)* or *False (F)* by putting a Tick (✓) mark in the brackets provided :

1×5=5

1. Debit increases in the assets.

(T / F)

2. Balance Sheet is shows the financial position of the business.

(T / F)

3. Debt-equity ratio of 2 : 1 is considered safe.

(T / F)

4. Management accounting deals only with the information which is useful to the management.

(T / F)

5. Fixed budget changes in accordance with the activity level.

(T / F)

SECTION—B

(Marks : 10)

2×5=10

Answer the following questions :

1. What do you mean by Ledger posting?
2. Define Profit and Loss Account.
3. Why is 'ratio analysis' useful?
4. Differentiate between management accounting and cost accounting.
5. What is a budget?

(PART : B—DESCRIPTIVE)

(Marks : 50)

The figures in the margin indicate full marks for the questions

1. (a) Journalize the following transactions in the books of Vijay Bros. : 10

2019			Amount (₹)
March	1	Started business with cash	1,00,000
"	2	Deposited into State Bank of India	40,000
"	7	Goods purchased on credit from Rahul	15,000
"	10	Purchased office machine and paid by cheque	10,000
"	15	Rent paid by cheque	2,500
"	18	Sale of goods to Ramesh	5,000

2019		Amount (₹)
March 21	Return goods to Rahul	1,000
" 23	Cash sales	7,500
" 25	Received a cheque from Ramesh	5,000
" 27	Cash paid to Rahul	14,000
" 29	Salary paid in cash	3,000
" 30	Commission received	2,500

OR

(b) What is accounting? Explain its limitations. Also explain Personal Accounts, Real Accounts and Nominal Accounts. 10

2. (a) The following are the balances extracted from the books of Bharat as on 31st March, 2019. From these balances, prepare his Trading and Profit & Loss Account and Balance Sheet as at that date : 10

Name of Accounts	Debit (₹)	Credit (₹)
Opening Stock	12,000	
Purchases	40,000	
Sales		86,000
Discount		400
Sales Return	6,000	
Buildings	50,000	
Debtors	16,000	
Salaries	2,400	
Office Expenses	1,200	
Wages	10,000	
Purchase Return		4,000
Interest		800

Name of Accounts	Debit (₹)	Credit (₹)
Travelling Expenses	400	
Fire Insurance Premium	800	
Machinery	20,000	
Carriage on Purchases	700	
Commission	400	
Cash in Hand	2,300	
Rent and Taxes	1,800	
Capital		62,000
Creditors		10,800
	<u>1,64,000</u>	<u>1,64,000</u>

Adjustment :

- (i) Closing Stock was valued at ₹ 16,000
- (ii) Wages ₹ 2,000 and Salaries ₹ 1,200 are outstanding
- (iii) Rent for two months at the rate of ₹ 500 per month is outstanding
- (iv) Depreciate buildings by 5% and Machinery by 10%
- (v) Prepaid Insurance—₹ 200

OR

- (b) What are the different columns of a Trial Balance? Also explain the special features and objectives of Trial Balance. 10

3. (a) Calculate the following ratios from the details given below: 2×5=10
 - (i) Gross Profit Ratio
 - (ii) Operating Ratio

- (iii) Stock Turnover Ratio
- (iv) Liquidity Ratio
- (v) Efficiency Ratio

Details :

	₹
Opening Stock	3,00,000
Closing Stock	4,20,000
Purchases	14,00,000
Wages	3,70,000
Carriage Inwards	1,50,000
Administrative Expenses	84,000
Selling Expenses	36,000
Sales	24,00,000

OR

- (b) Give any three objectives and limitations of ratio analysis. Explain briefly quick ratio and current ratio. 10
4. (a) Explain the advantages and limitations of management accounting. 10

OR

- (b) Who is management accountant? Write the roles and responsibilities of management accountant. 10
5. (a) What is zero-base budget? Differentiate between a budget and a forecast. 10

OR

- (b) What is cost sheet? Discuss the components of cost sheet with example. 10
