

Professional Course Examination, 2021

(2nd Semester)

BACHELOR OF COMPUTER APPLICATIONS

Course : BCA/2/CC/10 (New)

(Accounting and Financial Management)

Full Marks : 75

Time : 3 hours

INSTRUCTIONS TO CANDIDATES

(Please read the instructions carefully before you start writing your answers)

1. Questions should be attempted as per instructions.
2. Do not copy the Questions. Indicate the Part and Section with Question No. clearly while attempting the answer.
3. For Multiple choice answer, candidate should indicate the **Question No., Sub. No., (if any) and the correct answer. For example :**

1. *Name the State capital of Mizoram.*

(a) *Lunglei*

(b) *Aizawl*

(c) *Champhai*

Candidate should provide answer as—Q. No. 1 : (b) *Aizawl*

[Candidate should **avoid** writing only (b)]

4. The figures in the margin indicate full marks for the questions.

(PART : A—OBJECTIVE)

(Marks : 25)

SECTION—I

(Marks : 15)

Choose the correct answer from the options provided :

1×10=10

1. Which of the following is correct?

- (a) Liabilities = Assets + Capital
- (b) Assets = Liabilities – Capital
- (c) Capital = Assets – Liabilities
- (d) Capital = Assets + Liabilities

2. The book in which all accounts are maintained is known as

- (a) Cash Book
- (b) Journal
- (c) Purchases Book
- (d) Ledger

3. Trial Balance is prepared

- (a) after preparation of financial statement
- (b) after recording transactions in subsidiary books
- (c) after posting to ledger is complete
- (d) after posting to ledger is complete and accounts have been balanced

4. Net loss is _____ of the business.

- (a) a liability
- (b) an asset
- (c) an expense
- (d) an extraordinary loss

5. Ratios calculated from the past financial statement of the same firm are known as
- (a) past ratios
 - (b) future ratios
 - (c) current ratios
 - (d) All of the above
6. The fixed-variable cost classification has a specified significance in the preparation of
- (a) master budget
 - (b) flexible budget
 - (c) capital expenditure budget
 - (d) cash budget
7. Labour charge is a part of which cost?
- (a) Operating cost
 - (b) Direct cost
 - (c) Fixed cost
 - (d) Variable cost
8. Purpose of management accounting is to
- (a) past orientation
 - (b) help banks make decisions
 - (c) help managers make decisions
 - (d) help investors make decisions
9. The ideal level of liquid ratio is
- (a) 1 : 1
 - (b) 2 : 1
 - (c) 0.5 : 1
 - (d) 3 : 1

10. Goodwill falls under which category of assets?

- (a) Current Assets
- (b) Tangible Assets
- (c) Intangible Assets
- (d) None of the above

Choose and write the correct answer (True/False) :

1×5=5

11. Cash is liquid asset.

- (a) True
- (b) False

12. Prepaid expenses are assets of the business.

- (a) True
- (b) False

13. Sales budget is the most important budget among all the budgets.

- (a) True
- (b) False

14. Ideal ratio between current assets and current liabilities is 2 : 1.

- (a) True
- (b) False

15. A flexible budget is very dynamic.

- (a) True
- (b) False

SECTION—II

(Marks : 10)

Answer the following questions :

2×5=10

16. (a) Mention any three advantages of accounting.

OR

(b) Define Accounting.

17. (a) What is zero-based budgeting?

OR

(b) What causes depreciation?

18. (a) Define Cash Book.

OR

(b) What are the objectives of management accounting?

19. (a) What are different types of accounting ratios?

OR

(b) What are liquid ratio and current ratio?

20. (a) What is standard costing?

OR

(b) What is budgetary control?

(PART : B—DESCRIPTIVE)

(Marks : 50)

Answer Question No. **1** and *any three* from the rest

1. (a) From the following balances, prepare the Trading and Profit & Loss Account and Balance Sheet as on March 31, 2014 : 15

<i>Debit Balances</i>	<i>Amount</i> (₹)	<i>Credit Balances</i>	<i>Amount</i> (₹)
Drawings	6,300	Capital	1,50,000
Cash at Bank	13,870	Discount received	2,980
Bills Receivable	1,860	Loans	15,000
Loan and Buildings	42,580	Purchases return	1,450
Furniture	5,130	Sales	2,81,500
Discount allowed	3,960	Reserve for bad debts	4,650
Bank charges	100	Creditors	18,670
Salaries	6,420		
Purchases	1,99,080		
Stock (opening)	60,220		
Sales return	1,870		
Carriage	5,170		
Rent and Taxes	7,680		
General expenses	3,630		
Plant and Machinery	31,640		
Book debts	82,740		
Bad debts	1,250		
Insurance	750		
	<u>4,74,250</u>		<u>4,74,250</u>

Adjustments :

- (i) Closing Stock ₹ 70,000
- (ii) Create a reserve for bad and doubtful debts @ 10% on book debts
- (iii) Insurance prepaid ₹ 50
- (iv) Rent outstanding ₹ 150
- (v) Interest on loan is due @ 6% p.a.

(b) Explain the objectives of accounting.

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2. The following is the summarized Profit & Loss Account of Triplex Industries Ltd. for the year ended 31st March, 2019 and a Balance Sheet of the Company as on that date :

Trading and Profit & Loss Account

<i>Dr.</i>			<i>Cr.</i>
<i>Particulars</i>	<i>Amount</i>	<i>Particulars</i>	<i>Amount</i>
	(₹)		(₹)
To Opening Stock	9,950	By Sales	85,000
To Purchases	54,525	By Closing Stock	14,900
To Carriage Inward	1,425		
To Gross Profit	34,000		
	<u>99,900</u>		<u>99,900</u>
To Office Expenses	15,000	By Gross Profit	34,000
To Selling Expenses	3,000	By Profit on sale of Shares	600
To Financial Expenses	1,500	By Interest on Investments	300
To Loss on sale of an Asset	15,000		
To Net Profit	400		
	<u>34,900</u>		<u>34,900</u>

Balance Sheet

<i>Liabilities</i>	<i>Amount</i> (₹)	<i>Assets</i>	<i>Amount</i> (₹)
Share Capital :		Land and Buildings	15,000
2000 equity shares of ₹ 10 each	20,000	Plant	8,000
Reserves	9,000	Stock	14,000
Profit & Loss A/c	6,000	Debtors	7,000
Bank Overdraft	3,000	Bills Receivable	1,000
Sundry Creditors	8,000	Cash and Bank balance	3,000
Outstanding Expenses	2,000		
	<u>48,000</u>		<u>48,000</u>

Calculate the following ratio :

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- (a) Gross Profit Ratio
- (b) Debt Equity Ratio
- (c) Liquid Ratio
- (d) Current Ratio

3. Draw up a flexible budget for the production at 75%. Capacity on the basis of the following date for 50% activity is as follows :

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Material—₹ 100 per unit

Labour—₹ 60 per unit

Direct expenses—₹ 20 per unit

Administrative expenses (50% fixed)—₹ 80,000

Selling and distribution expenses (60% fixed)—₹ 1,00,000

Fixed expenses :

Depreciation—₹ 10,000

Insurance—₹ 5,000

Present product (50% activity) in 1000 units

4. What do you mean by Management Accounting? Discuss the advantages and disadvantages of management accounting. 3+7=10
5. What is ratio analysis? Discuss its objectives and limitations. 3+7=10
6. What do you mean by budgetary control? Distinguish between budget and forecast. 3+7=10

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