

THIRD SEMESTER B.C.A. DEGREE EXAMINATION, NOVEMBER**CA 3C 05—FINANCIAL AND MANAGEMENT ACCOUNTING**

Time : Three Hours

Maximum : 30

Section A*Answer all questions.**Each question carries a weightage of 1/.***I. Choose the correct answer from the choices given :**

1. The proprietor of a business is treated as a creditor for capital introduced by according to :
(a) Money measurement concept. (b) Cost concept.
(c) Business entity concept. (d) Dual aspect concept.
2. The term 'Funds' as used in Fund Flow Statement means :
(a) Cash. (b) Current assets.
(c) Current liabilities. (d) Current assets minus current liabilities.
3. The ideal current ratio for a concern is :
(a) 1 : 1. (b) 2 : 1.
(c) 1 : 2. (d) 3 : 1.
4. 'Margin of Safety' is the -
(a) Difference between actual sales and break even sales.
(b) Difference between fixed costs and variable costs.
(c) Extra money recovered from a customer.
(d) Extra discount paid for securing the market.

II. Fill in the blanks :

5. _____ is called the book of original entry.
6. The system of recording of transactions based on dual aspect is called _____
7. All those to whom business owes money are called _____
8. If sales volume is Rs. 10,000; variable costs are Rs. 6,000 and profit is Rs. 2,000, the P/V ratio will be _____

III. Fill in the blanks :

9. The difference between the standard hours for the actual output and actual hours is _____ variance.
10. Acid-test ratio is equal to quick current assets divided by _____
11. Contribution is the difference between sales and _____
12. A budget which consolidates the organisation's overall plan is called _____

(12 x $\frac{1}{4}$ = 3 weightage)**Turn over**

Section B

Answer all questions.

Each question carries a weightage of 1.

13. What is a Trial Balance ?
14. What is trend analysis ?
15. What is inventory turnover ratio ?
16. What is cash flow statement ?
17. What is standard costing ?
18. What is variable cost ?
19. What is Break even point ?
20. Define 'Budget'.
21. What is petty cash book ?

(9 x 1 = 9 weightage)

Section C

Answer any five questions.

Each question carries a weightage of 2.

22. Define Management Accounting. Mention its characteristics.
23. Explain common size Balance Sheet and common size Income Statement.
24. Discuss the managerial uses of Funds Flow Statement.
25. The following figures are available from the records of HK Enterprises as at 31st March :

	2001	2002
	(Rs. Lakhs)	(Rs. Lakhs)
Sales	150	200
Profit	30	50

Calculate

The P/V ratio and total fixed expenses.

26. The standard cost card shows the following details relating to the materials :

Standard price	– Re 1 per unit
Standard quality	= 4000 units
Actual price	= Rs. 1.25 per unit
Actual usage of material	= 4,100 units

Calculate : (a) Material cost variance. (b) Material price variance. (c) Material usage variance.

7. Calculate the Gross Profit Ratio from the following figures :

	Rs.
Sales	1,00,000
Sales Returns	10,000
Opening Stock	20,000
Purchases	60,000
Purchases Returns	15,000
Closing Stock	5,000

28. Following are the extracts from the Balance Sheets of a company as on 31st December 2010 and 31st December 2011. You are required to calculate funds from operations :

		<i>As on 31st December</i>	
		2010	2011
		Its.	Rs.
Profit and Loss Appropriation Account	...	30,000	40,000
General Reserve	...	20,000	25,000
Goodwill	...	10,000	5,000
Preliminary Expenses	...	6,000	4,000
Provision for Depreciation on Machinery	...	10,000	12,000

(5 x 2 = 10 weightage)

Section D

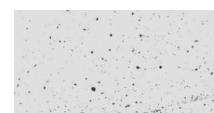
*Answer any two questions.
Each question carries a weight of 4.*

29. From the undernoted Trial Balance as on 31-12-2010 prepare a Trading and profit and loss account for the year ended 31-12-2010 and a Balance Sheet as on that date.

Trial Balance as on 31-12-2010.

		Dr.		Cr.
		Rs.		Rs.
Purchase	...	90,300	Sales	1,37,200
Return Inwards	...	2,200	Returns outwards	1,300
Stock (1-1-2010)		40,000	Capital	50,000
Drawings		5,000	Sundry Creditors	24,000
Buildings	...	30,000	Interest	500
Machinery	...	20,000	Commission	3,250
Furniture	...	8,000	Bank Overdraft	40,000
Debtors	...	25,000	Provision for Bad debts	750
Wages	...	3,000		
Carriage. Inwards		2,000		
Rent and Rates	...	1,500		
Bad debts	...	1,000		
Cash	...	3,500		
Investment	...	10,000		
Postage		2,500		
Insurance		2,000		
Salaries		11,000		
		<hr/>		
		2,57,000		2,57,000

Turn over



Other Information :

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- (a) Value of stock on 31-12-2010 to Rs. 65,000.
- (b) Goods worth Rs. 800 are taken by the proprietor for his personal use.
- (c) Rs. 400 of the insurance paid is in respect of the quarter ending 31st March 2011.
- (d) Salary of Rs. 1,000 for December 2010 is outstanding.
- (e) Charge depreciation on Building at 2% p.a; on Machinery at 10% p.a; on Furniture at 15% p.a.
- (f) Maintain provision for doubtful debts at 5% on debtors.

30. From the following data, prepare a flexible budget for production of 40,000 units and 75,000 units, distinctly showing variable cost and fixed cost as well as total cost. Also indicate element wise cost per unit. Budgeted output is 1,00,000 units and budgeted cost per units is as follows.

Direct Material	Rs.
Direct Labour	... 95
Production overhead (variable)	... 50
Production overhead (fixed)	... 40
Administration overhead (fixed)	... 5
Selling overhead (10% fixed)	... 5
Distribution overhead (20% fixed)	... 10
	... 15

31. What do you mean by marginal costing?

Discuss its usefulness and limitations.

(2 x 4 = 8 weightage)