THIRD SEMESTER B.C.A. DEGREE EXAMINATION, NOVEMBER 2014

(U.G.–CCSS)

Complementary Course

CA 3C 05—FINANCIAL AND MANAGEMENT ACCOUNTING

Time : Three Hours
Maximum : 30 Weightage

Section A

Each question carries a weightage of ¼.

I. Choose the correct answer from the choices given :

1 On which of the following concepts is the accounting equation based ?

    (a) Dual aspect.
    (b) Money measurement.

    (c) Realisation.
    (d) Going concern.

2 Sales day book records :

    (a) Cash sales.
    (b) Sales of assets on credit.

    (c) Sales of goods on credit.
    (d) Sales of loose tools.

3 If profit made during the year is Rs. 10,000 ; increase and decrease in the current assets is Rs. 5,000 and Rs 4,000 respectively, then the cash from operation equals :

    (a) Rs. 9,000.
    (b) Rs. 10,000.

    (c) Rs. 11,000.
    (d) Rs. 19,000.

4 Analysis of Financial Statements is an attempt to measure the enterprises :

    (a) Liquidity.
    (b) Profitability.

    (c) Solvency.
    (d) All of the above.

II. Fill in the blanks :

5 Difference between Current Assets and Current Liabilities is known as _____

6 The order in which the various assets and liabilities are shown in the Balance Sheet is termed as _____

7 Liquid Assets/Current Liabilities is the formula for calculating _____ ratio.

8 The difference between fixed and variable cost has a special significance in the preparation of _____ budget.

III.   Fill in the blanks :

9 At break-even point, the contribution will be equal to _____

10 The customer who has acquired goods on credit and owes money to the business is called a _____

11 Funds flow refers to changes in _____ capital.

12 For labour, the difference between actual hours at actual rate and actual hours at standard rate is called the _____ variance.

(12 x ¼ = 3 weightage)

Turn over

Section B

Answer **all** *questions. Each question carries a weightage of* 1.

13 What is Business Entity Concept ?

14 What is a Trial Balance ?

15 What do you mean by Horizontal analysis ?

16 What is current ratio ?

17 What is Master Budget ?

18 What is a Petty Cash Book ?

19 What is Cash Flow Statement ?

20 What is Trend Analysis ?

21 What is Angle of Incidence ?

(9 x 1 = 9 weightage)

Section C

Answer any **five** *questions. Each question tarries a weightage of* **2.**

22 What do you mean by Financial Statement Analysis ? Explain its objectives.

23 Differentiate between funds from operations and cash from operations.

24 What is Break-even analysis ? Discuss its utilities.

25 You are given the following information :

	Rs.
Selling price per unit	20
Variable cost	12
Total fixed cost	96,000

Calculate :

(i) Break-even units and value ; (ii) Profit and margin of safety when sales would be Rs. 4,00,000.

26 The following figures are extracted from the trading account of X. You are required to calculate stock turnover ratio :

	Rs.
Opening stock	30,000
Purchases	1,10,000
Direct expenses	10,000
Gross profit	75,000
Gross sales	2,20,000
Sales returns	10,000
Closing stock ...	15,000

27 **From the following Balance Sheets of** J.K. Ltd., **prepare a schedule of changes in working capital** :

Balance Sheets of J.K. Ltd.

Particulars	2010 Rs.	2011 Rs.
Assets :		
Cash Balance	30,000	40,000
Debtors	60,000	56,000
Stock	1,10,000	1,44,000

Particulars	2010 Rs.	2011 Rs.
Building	1,60,000	2,00,000
Machinery	30,000	20,000
	3,90,000	4,60,000
Liabilities :		
Capital	1,26,000	2,00,000
Long-term loans	1,00,000	1,20,000
Sundry creditors	84,000	78,000
Bank overdraft	70,000	50,000
Outstanding expenses	10,000	12,000
	3,90,000	4,60,000

28 The standard material required to manufacture one unit of product A is 5 kgs and the standard price per kg of material is Rs. 3.00. The cost accountants, records, however reveal that 16,000 kgs of material costing Rs. 52,000 were used for producing 3,000 units of product A. Calculate : (a) Material price variance ; (b) Material usage variance ; and (c) Material cost variance.

(5 x 2 = **10** weightage)

Section D

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

29 From the following Trial Balance extracted from the books of S.K.P. Traders as on 31st December, 2010, prepare Trading and Profit and Loss Account and Balance Sheet :

Trial Balance as on 31st December, 2010

	Dr. Rs.	Cr Rs.
Capital		40,000
Freehold property	10,800	
Depreciation on property	1,200	
Insurance prepaid (1-01-2010)	300	
Stock (1-01-2010)	14,360	
Furniture and fittings	1,500	
Insurance	3,000	
Purchases	67,350	
Sales		80,410
Returns inwards	1,590	
Returns outwards		2,520
Office expenses	5,100	
Bad debts	1,310	
Carriage outwards	1,590	

Turn over

	Dr.	Cr.
	Rs.	Rs.
Carriage inwards	1,450	
Creditors for expenses		400
Discount		150
Salaries and commission	4,950	
Account receivable	11,070	
Account payable		4,700
Cash at Bank	2,610	
	1,28,180	1,28,180

Adjustments :

  (i)   Closing stock Rs. 10,500.

  (ii)   Insurance prepaid Rs. 330.

  (iii)   Carriage inwards include Rs. 50 carriage paid for the purchase of furniture.

  (iv)   Make provision Rs. 1,070 for doubtful debts against Accounts receivable.

30 From the following forecast information, prepare Cash Budget for the months April, May and June, 2010 :

Months	Sales	Purchases	Expenses on wages	Other Expenses
	Rs.	Rs.	Rs.	Rs.
2010 February	90,000	66,000	4,000	6,000
March	80,000	60,000	4,000	6,000
April	96,000	88,000	6,000	7,000
May	1,00,000	60,000	5,000	8,000
June	1,20,000	70,000	6,000	7,200

Additional Information :

  (i)   Customers are allowed a credit period of one month.

  (ii)   Creditors allow a time-lag of two months for making payment.

  (iii)   Wages of a month are paid in the next month.

  (iv)   Other expenses of a month are paid in the first week of the next month.

  (v)   A machinery is to be bought for cash in May for Rs. 32,000.

  (vi)   Balance of cash on 1st April 2010 is Rs. 8,000.

  (vii)   All purchases and sales are on credit terms.

31. Define marginal costing and explain its main features and useful contributions to the management in decision-making.

(2 x 4 = 8 weightage)