

THIRD SEMESTER B.C.A. DEGREE EXAMINATION, NOVEMBER 2017

(CUCBCSS—UG)

Complementary Course

BCA 3C 05—FINANCIAL AND MANAGEMENT ACCOUNTING

Time : Three Hours

Maximum : 80 Marks

Part A*Answer all questions.**Each question carries 1 mark.***I. Choose the correct answer from the choices given :****1 Favourable level of liquid ratio is :**

(a) 2 : 1.

(b) 1 : 2.

(c) 1 : 1.

(d) 2 : 4.

2 When selling price increases break even point :

(a) Increase.

(b) Decreases.

(c) Stable.

3 Standard cost is a :

(a) Fixed cost.

(b) Variable cost.

(c) Pre-determined cost.

(d) Future cost.

4 Copy right is :

(a) Intangible.

(b) Tangible.

(c) Current.

(d) Fixed.

5 Depreciation is an expenditure in the nature of :

(a) Revenue.

(b) Capital.

(c) Miscellaneous.

II. Match the following :**6 Fund Flow statement — Debit balance.****7 Net worth — Credit balance.****8 Activity ratio — Working capital.****9 Asset Account — Turnover.****10 Liability Account — Owner's fund.**

(10 × 1 = 10 marks)

Turn over

Part B (Short Answer Questions)*Answer all questions from the following.**Each question carries 2 marks.*

- 11 What you mean by balance sheet ?
- 12 Distinguish between book keeping and accounting.
- 13 What is suspense account ?
- 14 What you mean by quick ratio ?
- 15 What is cash flow statement ?

(5 × 2 = 10 marks)**Part C (Short Essay Questions)***Answer any five questions.**Each question carries 4 marks.*

- 16 Following details are available :

	Rs.
Break Even Sales	— 20,000
Fixed Cost	— 10,000
Profit	— 5,000

Find out margin of Safety.

- 17 Journalise the following transactions :

- (i) Commenced business with cash Rs. 50,000.
- (ii) Purchased machinery from y on credit Rs. 25,000.
- (iii) Goods purchased from Madhu Rs. 15,000.
- (iv) Goods returned to Madhu Rs. 1,800.
- (v) Advertisement expenses paid Rs. 2,100.
- (vi) Paid rent Rs. 1,000.

- 18 A company estimates that next year it will earn a profit of Rs. 50,000. The budgeted fixed cost and sales are Rs. 2,50,000 and Rs. 9,93,000 respectively. Find out the break-even point for the company.
- 19 What are final accounts ?
- 20 From the following balance sheet of a company you are required to calculate : Current ratio and solvency ratio.

Balance Sheet as on 31st December

Share Capital	10,00,000	Fixed Assets	12,00,000
Fixed liabilities	5,00,000	Current Assets	8,00,000
Current liabilities	5,00,000		
	20,00,000		20,00,000

- 21 Calculate p/v ratio from the following data :

Rs.

Marginal cost	—	2,400.
Selling Price	—	3,000.

- 22 What are common size statements.

23 Statement of Financial Position of Jain Ltd., are given below :

	1.1.2014	31.12.14		1.1.2014	31.12.14
Accounts Payable	29,000	25,000	Cash	40,000	30,000
Capital	7,39,000	6,15,000	Debtors	20,000	17,000
			Stock	8,000	13,000
			Buildings	1,00,000	80,000
			Fixed Assets	6,00,000	5,00,000
	7,68,000	6,40,000		7,68,000	6,40,000

Additional Information :

- (i) There were no drawings.
- (ii) There were no purchase or Sale of either buildings or fixed assets.

Prepare Cash Flow Statement.

(5 × 4 = 20 marks)

Part D

Answer any five questions.

Each question carries 8 marks.

24 From the following B/S prepare a statement showing sources and application of fund :

Balance Sheet

	31.12.10	31.12.11		31.12.10	31.12.11
Share Capital	2,00,000	2,87,500	Plant	37,500	50,000
Creditors	53,000	35,000	Stock	60,500	68,000
P/L A/C	7,000	15,500	Debtors	90,500	85,000
			Cash	71,500	1,35,000
	2,60,000	3,38,000		2,60,000	3,38,000

25 Calculate the break even point, margin of safety and sales required to earn a profit of Rs. 5,000 from the following information :

Rs.

Sales	...	40,000
Fixed Costs	...	7,500
Direct material	...	20,000
Direct Labour	...	6,000
Direct Expenses	...	4,000

26 What you mean by a journal ? Explain journalising and journal entry.

27 What is a trial balance ? Explain the uses and limitations of trial balance.

Turn over

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

	Per Unit (Rs.)
Material Cost	70
Labour Cost	25
Variable OH	20
Fixed OH (Rs. 1,00,000)	10
Variable Expenses (Direct)	5
Selling expenses (20% fixed)	15
Distribution overhead (10% fixed)	10
Administration expenses (Rs. 50,000)	5
Total Cost of Sales per unit	160

Prepare a budget for production of 8,000 Units.

- 29 Explain the rules regarding posting of transactions in the ledger.

- 30 From the following, find out.

- P/V ratio.
- BEP.
- Net profit if the sales are Rs. 2,50,000
- Margin of safety at a sales of Rs. 2,50,000

	Rs.
Sales	2,00,000
Marginal Cost	1,60,000
Contribution	40,000
Less : Fixed Cost	20,000
Net Profit	20,000

- 31 The balance sheet of AB Ltd., as on 31.12.2015 is given below :

	Rs.		Rs.
Equity Capital	1,00,000	Fixed Assets	1,80,000
9% preference Capital	50,000	Stores	25,000
8% Debentures	50,000	Debtors	55,000
Retained earnings	20,000	B/R	3,000
Creditors	45,000	Bank	2,000
	2,65,000		2,65,000

Calculate :

- Current Ratio.
- Liquid ratio.
- Fixed asset ratio.
- Comment on the financial position of the company.

(5 × 8 = 40 marks)