

D 43235

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Name.....

Reg. No.....

SECOND SEMESTER B.C.A. DEGREE EXAMINATION, MAY 2018

(CUCBCSS—UG)

Complementary Course

BCA 2C 03—FINANCIAL AND MANAGEMENT ACCOUNTING

(2017 Admissions)

Time : Three Hours

Maximum : 80 Marks

Section A

*Answer all the questions.
Each question carries 1 mark.*

1. Define Accounting.
2. What are business transactions ?
3. What is narration in a journal ?
4. What is a source document ?
5. Cash book is both a journal and a ledger. Explain.
6. What do you mean by Contra Entry ?
7. What are financial statements ?
8. What is common size Balance Sheet ?
9. What is P/V Ratio ?
10. What is Budgetary Control ?

(10 × 1 = 10 marks)

Section B

*Answer all the questions.
Each question carries 2 marks.*

11. Distinguish between book-keeping and accounting.
12. List of main objectives of accounting.
13. State the principles of double entry.
14. Explain the process of journalising.
15. Write a compound journal entry :

On 1st June 2017—wages paid Rs. 5,000 ; Commission paid Rs. 2,000 and Rent paid Rs. 3,000.

Turn over

16. Satyan started business with cash Rs. 50,000, Furniture Rs. 20,000 and Stock Rs. 30,000. Write compound journal entry.
17. Calculate break-even volume using the following data :
Profit Rs. 5,000 (20 % of sales) ; P/V Ratio 50 %.
18. From the following information calculate margin of safety sales :
4,000 units @ Rs. 25 each Rs. 1,00,000 ; Variable cost Rs. 72,000 and Fixed expenses Rs. 16,000.

(8 × 2 = 16 marks)

Section C

Answer any **six** questions.
Each question carries 4 marks.

19. What is cost-volume -profit analysis ?
20. What is Break-even point ? Why should it be calculated ?
21. What are the advantages of standard costing ?
22. What is labour efficiency variance ? How is it calculated ?
23. What are the advantages of cash budget ?
24. From the following Profit and Loss account of Meena Ltd., for the year ended 31st December.

2015 and 2016, you are required to prepare a Comparative Income Statement for the years 2015 and 2016.

Items	2015 Rs.	2016 Rs.	Items	2015 Rs.	2016 Rs.
To Cost of goods sold ...	600	750	By Net sale ...	800	1,000
" Administrative Exp. ...	20	20			
" Selling Exp. ...	30	40			
" Net profit ...	150	190			
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	800	1,000		800	1,000
	<hr/>	<hr/>		<hr/>	<hr/>

25. Selling price per unit Rs. 150 ; Variable Cost per unit Rs. 90 ; Fixed Cost Rs. 6,00,000.
- (a) What will be the selling price per unit if the break-even point is 8,000 units ?
- (b) Compute the sales required to earn a profit of Rs. 2,20,000.

26. From the following calculate, Material Cost Variance, Material Price Variance and Material Usage Variance :—

<i>Materials</i>		<i>Standard</i>		<i>Actual</i>	
		<i>Units</i>	<i>Price (Rs.)</i>	<i>Units</i>	<i>Price (Rs.)</i>
A	...	1,010	1.0	1,080	1.2
B	...	410	1.5	380	1.8
C	...	350	2.0	380	1.9

27. Record the following transactions in the Journal of Vincy :

2015 January	1	Vincy commenced business with cash Rs. 50,000.
"	3	paid into bank Rs. 30,000.
"	5	Purchased from Ram on credit Rs. 1,500.
"	7	Sold goods on credit to John Rs. 750.
"	12	Purchased machinery from Voltas Ltd. 2,500.
"	20	Bought goods from Nithin for cash Rs. 1,250.
"	22	Paid cash to Ram Rs. 1,500.
"	31	Paid rent Rs. 2,500.

(6 × 4 = 24 marks)

Section D

*Answer any three questions.
Each question carries 10 marks.*

28. (a) Distinguish between standard costing and budgetary control.
(b) Distinguish between standard cost and estimated cost.
29. From the following balance sheets of X Ltd., you are required to prepare a Comparative Balance Sheet as on 31st December :

<i>Liabilities</i>	2016	2017	<i>Assets</i>	2016	2017
	Rs.	Rs.		Rs.	Rs.
Equity capital	... 400	400	Land and buildings	... 400	370
6 % Pref. capital	... 300	300	Plant and machinery	... 400	410
Reserves	... 200	245	Stock	... 200	300
8 % debentures	... 100	150	Debtors	... 200	300
Bills payable	... 50	75	Cash	... 100	140
Sundry creditors	... 250	350			
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	1,300	1,520		1,300	1,520
	<hr/>	<hr/>		<hr/>	<hr/>

Turn over

30. Selling price per unit Rs. 12 ; Variable cost per unit Rs. 8 ; Fixed cost Rs. 40,000.

Find out (1) Break-even sales units and value ; (2) Profit when sales would be Rs. 3,00,000 ;
(3) Margin of safety when sales are as in (2).

From the following Trial balance , prepare Trading and Profit and Loss Account for the year ended 31st March 2016 :

<i>Items</i>		<i>Debit</i>	<i>Credit</i>
		Rs.	Rs.
Stock	...	5,250	
Sales	...		11,800
Sundry Exp.	...	667	
Commission	...		211
Insurance	...	380	
Carriage inwards	...	300	
Furniture	...	6,670	
Printing and stationery	...	481	
Carriage outwards	...	200	
Capital	...		27,998
Creditors	...		1,780
Bills payable	...		541
Plant and Machinery	...	15,000	
Returns outwards	...		1,380
Cash in hand	...	895	
Salaries	...	750	
Debtors	...	1,905	
Discount	...	328	
Bills receivable	...	2,730	
Wages	...	1,589	

<i>Items</i>		<i>Debit</i>	<i>Credit</i>
		Rs.	Rs.
Returns inwards	...	1,659	
Bank overdraft	...		4,000
Purchases	...	8,679	
Petty Cash in hand	...	47	
Bad debts	...	180	
		<hr/>	<hr/>
Total		47,710	47,710
		<hr/>	<hr/>

The value of closing stock was Rs. 7,200.

31. With the following data for a 60% activity, prepare a flexible budget for production at 80 per cent activity :

Production at 60 % activity—600 units

Rs.

Materials	...	100 per unit
Labour	...	40 per unit
Expenses	...	10 per unit

Factory Exp. Rs. 40,000 (40 % fixed) and administration exp. Rs. 30,000 (60 % fixed).

32. Prepare Cash Book from the following items :

2016

May	1	Balance of cash Rs. 2,800, and Bank Rs. 43,700
	3	Cash sales Rs. 5,400.
	6	Paid Rahul Rs. 7,000 by cheque.

Turn over

2016

May

- 8 Paid into bank Rs. 3,500.
- 10 Bought goods for Rs. 15,000 and paid by cheque less 5% discount.
- 12 Received Rs. 6,500 from Gokul in full settlement of his debt Rs. 6,600.
- 14 Withdrew Rs. 5,000 from bank and paid salaries Rs. 4,500 and travelling exp. Rs. 250.
- 15 Bought furniture for Rs. 3,000.

(3 × 10 = 30 marks)