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# MCA (Sem. - 1st)

## ACCOUNTING AND FINANCIAL MANAGEMENT

**SUBJECT CODE : MCA - 103**

**Paper ID : [B0103]**

[Note : Please fill subject code and paper ID on OMR]

**Time : 03 Hours** **Maximum Marks : 60**

**Instruction to Candidates:**

1) Attempt any one question from each Sections **A, B, C, & D.**
2) Section - E is **Compulsory.**
3) Use of Non-programmable **Scientific Calculator** is allowed.

### Section - A

*(1 × 10 = 10)*

*Q1)* Define accounting. Give a brief explanation of the various accounting concepts and conventions which form the backbone of accounting.

*Q2)* Prepare a trading and profit and loss account and balance sheet from the following trial balance :

**TRIAL BALANCE**

| | Dr. (in Rs.) | Cr. (in Rs.) |
|---|---|---|
| David's drawings and capital | 5,000 | 40,000 |
| Leasehold Land | 25,000 | |
| Freehold Premises | 20,000 | |
| Goodwill | 7,000 | |
| Trademarks | 13,000 | |
| Machinery and Plant | 15,000 | |
| Fixtures and Fittings | 2,000 | |
| Stock at commencement | 18,000 | |
| Bills Receivable and Payable | 4,000 | 6,000 |
| Sundry Debtors and Creditors | 16,000 | 24,000 |
| Purchases and sales | 80,000 | 1,50,000 |
| Returns | 1,000 | 2,000 |
| Carriage 'in' | 1,500 | |
| Carriage 'out' | 500 | |

| | | |
|---|---|---|
| Freight Duty etc. | 1,200 | |
| Manufacturing Wages | 22,000 | |
| Coal, fuel, gas etc. | 800 | |
| Factory Expenses | 4,500 | |
| Salaries | 18,000 | |
| Rent, Taxes and Insurance | 6,000 | |
| Commission | 2,500 | |
| Interest | | 3,000 |
| Discount | 4,000 | 6,000 |
| Stationary | 500 | |
| Trading Expenses | 1,800 | |
| Cash in hand | 700 | |
| Bankers | | 39,000 |
| **TOTAL** | **270,000** | **2,70,000** |

## Section - B

***(1 × 10 = 10)***

***Q3)*** The following is the balance sheet of X & Co. for the year ending Dec. 31, 2009.

| Liabilities | Rs. | Assets | Rs. |
|---|---|---|---|
| X's Capital | 15,00,000 | Goodwill | 1,00,000 |
| Long term loan from bank | 3,00,000 | Land and Building | 6,50,000 |
| Bills Payable | 60,000 | Plant | 8,00,000 |
| Sundry Creditors | 70,000 | Furniture | 1,50,000 |
| Bank Overdraft | 30,000 | Bills Receivable | 70,000 |
| Outstanding Expenses | 5,000 | Sundry Debtors | 90,000 |
| | | Bank balance | 45,000 |
| | | Short term investment | 25,000 |
| | | Prepaid expenses | 5,000 |
| | | Stock | 30,000 |
| | **19,65,000** | | **19,65,000** |

From the balance sheet calculate current ratio, acid test ratio, absolute liquid ratio and comment upon the liquidity position of the firm.

***Q4)*** Distinguish between fund flow statement and cash flow statement. Explain the various uses of cash flow statement.

## Section - C

*(1 × 10 = 10)*

*Q5)* What is marginal costing? What are its assumptions? Explain any three applications of marginal costing.

*Q6)* Write notes on :

(a) Standard costing and Variance analysis

(b) Break Even Chart

## Section - D

*(1 × 10 = 10)*

*Q7)* Distinguish between manual accounting and computerized accounting? Explain the various advantages and disadvantages of computerized accounting system.

*Q8)* What are the subsystems in the Computerized Accounting System? Explain.

## Section - E

*(10 × 2 = 20)*

*Q9)*

a) What is accounting equation?

b) What is double entry system of book keeping?

c) Define financial management.

d) What is Return on Investment?

e) What is meant by fund flow?

f) What is meant by cash from operating activities?

g) Define Contribution.

h) What is Profit Volume ratio?

i) What is meant by computerized accounting?

j) What is break even point?

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