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Examination May-2014

MCA Ist Semester

MCA-104: Accounting and Financial Management

Paper ID-B0131

Time: 3 hrs. **Max Marks: 100**

Note: Attempt **five** questions in all including **Q.No. 9 (Section-E)** which is **compulsory** and selecting **one** question each from sections A, B, C and D. All questions carry equal marks.

Section – A

Q1. (a) What are the basic books of accounts of a sole proprietary concern? Discuss their utility.

(b) Differentiate between accounting concepts and conventions. Discuss the main accounting concepts in brief. **(8, 12)**

Q2. From the following trial balance of Saurav, prepare Trading and Profit and Loss Account and a Balance Sheet for the year ending Dec. 31, 2003:

Dr. **TRIAL BALANCE** **Cr.**

Purchases	60500	Capital	70000
Stock	6800	Return Outwards	2200
Return Inwards	1200	Sales	95000
Duty on imported goods	4700	Commission	1000
Carriage on sales	2000	Bills Payable	12000
Office Salaries	2400	Creditors	25000
Wages	11000		
Drawings	4000		
Rent	2500		
Telephone Charges	5000		
Discount	600		
Bank Balance	17000		
Debtors	25000		
Machinery	50000		
Depreciation on Machinery	2500		
Horses and carts	10000		
	205200		**205200**

(20)

Section – B

Q3. (a) What is the purpose of preparing a cash flow statement? How is it prepared? Explain and illustrate.

(b) Differentiate between funds flow statement and cash flow statement. **(12, 8)**

Q4. Your company had the following earnings last year:

Profit before tax Rs. 24.46 lakhs
Tax Rate 60%
Proposed Dividend 20%
Capital of the company is:
9% Preference Shares Rs. 10 lakhs
Equity Shares : 30000 shares of Rs. 100 each, Rs. 30 lakhs
Reserve in the beginning of the year Rs. 22 lakhs

From the above, compute the following (for equity shares):

(i) Earnings per share
(ii) Book value per share
(iii) Earnings yield ratio
(iv) Price earnings ratio
(v) Dividend Payment ratio

The current market price of the equity share is Rs. 200. **(20)**

Section – C

Q5. (a) What do you mean by Break Even Analysis? Discuss the uses and limitations of this technique. Draw the Break Even Chart and explain all its components.

(b) What do you mean by Budgetary Control? State its importance. How would you prepare (i) sales budget (ii) cash budget? **(12, 8)**

Q6. From the following data, calculate various material variances:

	Standard		**Actual**	
Materials	***Quantity (units)***	***Price per unit (Rs.)***	***Quantity (units)***	***Price per unit (Rs.)***
A	80	8.00	90	7.50
B	70	3.00	80	4.00
	150		**170**	

(20)

Section – D

Q7. What are the salient features of a Computerized Accounting System? How would you set up a Computerized Accounting System in a business organization? **(20)**

Q8. (a) What is the difference between Computerized Accounting System and Manual Accounting System? Give the merits of Computerized Accounting System.

(b) Discuss some of the computer programs available for accounting. **(12, 8)**

Section – E (Compulsory)

Q9. Attempt and explain the following briefly:

(i) What do you mean by opening entry?
(ii) Explain the Acid Test Ratio.
(iii) What is semi-variable cost?
(iv) Define the profit-volume ratio.
(v) Differentiate between master file and transaction file.
(vi) Give the rules of Double Entry System.
(vii) What is coding logic?
(viii) List out the general profitability ratios.
(ix) Explain the Profit and Loss Appropriation Account.
(x) What is an adjusted Profit and Loss Account? **(10 X 2 = 20)**

——— End ———