

Total No. of Pages: **2**

Register Number:

**5955**

Name of the Candidate:

**B.C.A. DEGREE EXAMINATION, May 2015****(SECOND YEAR)****(PART-III)****220: BUSINESS AND ACCOUNTING**

Time: Three hours

Maximum: 100 marks

**SECTION-A****(8×5=40)****Answer any EIGHT questions**

1. What is Suspense Account? How it is Opened and closed?
2. What is a Bank Reconciliation Statement and why it is prepared.
3. Explain turnover ratios.
4. Distinguish between Cash Flow Statement and Fund Flow Statement.
5. State the limitations of Financial Statement Analysis.
6. Project ABC initially cost s ₹50,000. It generates the following cash inflows:

Year	Cash flows ₹	Present value of ₹1 at 10%
1	10,000	0.909
2	9000	0.826
3	8000	0.751
4	7000	0.683
5	6000	0.621

Taking the cut-off rate as 10%. suggest whether the project should be accepted or not.

7. From the following particulars calculate the breakeven point.

Variable Cost Per unit ₹ 12

Fixed expenses ₹ 60,000

Selling price per unit ₹ 18

8. Prepare Trading Account of Anju for the year ending 31-12-2014 From the following Information:

	₹
Opening Stock	80,000
Purchases	8,60,000
Freight Inward	52,000
Wages	24,000
Sales	14,40,000
Purchase Returns	10,000
Sales Returns	3,16,000
Closing Stock	1,00,000
Import duty	30,0000

**5955**

2

9. What is Capital Budgeting? State its importance.
10. A firm is engaged in large scale consumer retailing from the following information, you are required to forecast their working capital requirement.

Projected Annual Sales	₹ 65,00,000
Percentage of Net profit on Cost of sales	25%
Average credit period allowed to Debtors	10 weeks
Average Credit period allowed by creditors	4 weeks
Average stock carrying(in terms of sales requirement)	8 week

Add 10% to computed figures to allow for contingencies.

**SECTION-B****(3×20=60)****Answer any THREE questions**

11. Journalise the following transactions in the books of Mrs. Rani and Post them in the ledger and balance the same.

2014

March 1	Bought goods for Cash ₹30,000
March 2	Sold goods for cash ₹ 60,000
March 3	Bought goods for credit from Babu ₹20,000
March 5	Sold goods on credit to Rohan ₹ 9000
March 7	Received from Rohan ₹ 5,000
March 9	Paid to Babu ₹ 4,000
March 20	Bought furniture for cash ₹8,000

12. Explain the main features of a budgetary control system.
13. How does Cash Flow Statement differ from Fund Flow Statement? Explain.
14. Ascertain the Prime cost, Works Cost, Cost of Production, total cost and profit from the undermentioned figures.

Direct Materials	₹ 5000
Direct Labour	₹3500
Factory Expenses	₹ 1500
Administrating Expenses	₹ 800
Selling Expenses	₹700
Sales	₹ 15000

15. From the following detailed find out (a) Profit Volume Ratio, b) Break Even Point c) Margin of Safety

	₹
Sales	100,000
Total Cost	80,000
Fixed Cost	20,000
Net Profit	20,000

\*\*\*\*\*