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Register Number:

Name of the Candidate:

M.C.A. DEGREE EXAMINATION, May 2015**(FIRST SEMESTER)****121. ACCOUNTING AND FINANCIAL MANAGEMENT**

Time: Three hours

Maximum: 100 marks

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

- Discuss briefly the various account concepts.
- Journalise the following transactions
 - 1.2.13 Mr. S started business with cash ₹ 5 lakh
 - 12 feb he purchased goods from Mr.A worth ₹ 2 lakhs
 - 14 feb sold goods worth ₹1.5 lakh to M/s Ravi traders
 - 15 feb paid ₹1 lakh to Mr.A
 - 20 feb sold goods worth ₹ 50000/= to M/s Raushan Agencies on credit
 - 21 feb purchased furniture worth ₹ 20000/=
 - 22 feb received ₹ 25000/= from Raushan Agencies
 - 23 feb paid office rent ₹6000/=
 - 28 feb paid salary ₹8000/=
 - 28 feb withdraw cash ₹5000/=
- What is ratio analysis and bring out its limitations?
- P Ltd., producing articles mostly on hand labour and is considering to replace it by a new machine, There are two alternative models M and N of new machine. Prepare a statement of profitability. Showing the payback period from the following information.

	Machine M	Machine N
Estimated life machine	4 years	5 years
Cost of machine	₹ 9000/=	₹ 18000/=
Estimated savings in scrap	500	800
Estimated savings in direct warp	6000	8000
Addl. cost of the machine	800	1000
Addl. cost of supervision	1200	1800

- Following are the balances extracted from the Bonus of M/s Jaswant enterprises as on 31st March 2012. Prepare a Trial Balance as on that date.

	₹		₹
Capital	20,000	Stock	25,000
Rent paid	1,000	Sundry creditors	40,000
Drawings	4,000	Sundry debtors	25,000
Cash	1,000	Sales	1,00,000

Bank	12,000	Salaries	8,500
Bills payable	3,000	Office expenses	1,500
Bills receivable	5,000	Advertisement	5,000
Purchases	70,000	Discount received	2,500
Bank overdraft	7,000	Machinery	13,000

6. If fixed cost are ₹ 4000 variable cost ₹32000/- and Break-Even point ₹20000/- find out (i) Profit volume ratio (ii) Sales (iii) Net profit (iv) Margin of safety.
7. Mr. Jaswanth furnishes the following data relating to the manufacture of a Standard product during the month of April, 2012.

	₹
Raw materials consumed	15,000
Direct labour charges	9,000
Machine hours charges	900
Machine hour rate	5
Administrative overheads	20% of work costs
Selling overheads	0.50 per unit
Units produced	17,100
Units sold	16,000@ ₹4 per unit

You are required to prepare a cost sheet from the above showing (a) Incost per unit (b) Profit per unit sold and profit for the period.

8. "The techniques of marginal cost can be valuable aid to management" Discuss the statement and give your views.
9. Define the term "Budget" and explain what is meant by "Budgetary control"?
10. What is payback period? List out its merits and demerits.

SECTION -B

(3 × 20 = 60)

Answer any THREE questions

11. From the following trial balance of XYZ & Co., prepare trading profit and loss account and balance sheet for the year ended 13.3.2012.

Trial Balance

Particulars	Debit ₹	Credit ₹
Capital		25,000
Loans		5,000
Sales		35,000
Account payable		4,000
Bills payable		5,000
Purchases return		2,000
Dividend received		3,000
Plant and machinery	13,000	
Buildings	17,000	
Bills receivable	9,650	
Purchases	18,000	
Dis. Allowed	1,200	
Wages	7,000	
Salaries	3,000	
Travelling expenses	750	
Freight outward	250	

Insurance	300	
Commission paid	100	
Cash in hand	100	
Cash at Bank	1,600	
Repairs	1,100	
Opening stock	6,000	
	79,000	79,000

Additional data for adjustment

- (i) Closing stock ₹ 8000/-
 - (ii) Depreciation on plant and machinery @ 15% and 10% on building.
 - (iii) Provision for doubtful receivables ₹ 500
 - (iv) Insurance prepaid ₹ 50
 - (v) Outstanding rent ₹ 100/-
12. The Golden company plans to sell 108000 units of a certain product line in the first fiscal quarter, 120000 units in the second quarter 132000 units in the third quarter, 156000 units in the fourth quarter and 139000 units in the first quarter of the following year. At the beginning of the first quarter of the current year are 18000 units of product in the stock. At the end of each quarter, the company plans to have an inventory equal to the sixth of the sales for the next fiscal quarter.
- How many units must be manufactured in each quarter of the current year?
13. From the following information, prepare summarized Balanced sheet as on 31st March 2012.
- | | |
|--------------------------------|--------|
| Working capital | 120000 |
| Reserves surplus | 80000 |
| Bank overdraft | 20000 |
| Fixed assets proprietary ratio | 0.75 |
| Current ratio | 2.5 |
| Liquid ratio | 1.5 |
- Your working should form part of the answer.
14. Describe the steps in the preparation of cash-flow statement.
15. What is cost sheet? Discuss the purpose and its functions.
