

CLASS: MCA

15A / 241

St. JOSEPH'S COLLEGE (AUTONOMOUS) TIRUCHIRAPPALLI – 620 002

SEMESTER EXAMINATIONS – APRIL 2015

TIME: 3 Hrs.

MAXIMUM MARKS: 100

SEM	SET	PAPER CODE	TITLE OF THE PAPER
IV	2013	12PCA4122	ACCOUNTING AND FINANCIAL MANAGEMENT

SECTION – A

Answer all the questions:

20 x 1 = 20

Choose the correct answer:

- Accounting principles are generally based on
 - Practicability
 - Subjectivity
 - Convenience in recording
 - Necessity
- Capital + Liabilities = ?
 - Net liability
 - Profit
 - Assets
 - Loss
- A 'mine' is an example of
 - Current asset
 - Fixed asset
 - Wasting asset
 - Liquid asset
- 'No profit No loss' situation will arise only when
 - $C > F$
 - $C < F$
 - $C = F$
 - $C = S$
- The difference in fixed and variable cost has a special significance is preparation of
 - Cash budget
 - Static budget
 - Flexible budget
 - Fixed budget

Fill in the blanks:

- Purchase book makes a record of _____.
- Goodwill is _____.

8. Depreciation is a _____.
9. Period costs are _____.
10. Risk involves situation in which the probabilities of a particular event occurring are _____.

State True or False:

11. Capital + profit = Asset.
12. Suspense account is usually closed when all the errors are rectified.
13. Depreciation arises because of physical wear and tear.
14. Profit volume ratio is an indicator of the volume of sales.
15. The budget which is prepared first of all is budget for key factor.

Match the following:

16. Trial balance - a) Wrong totaling
17. Casting error - b) Mines
18. Depletion - c) Statement of ledger balance
19. Period cost - d) Budget
20. Cost planning - e) Fixed cost

SECTION – B

Answer all the questions:

5 x 7 = 35

21. a. What are the functions of financial accounting?

OR

- b. Enter the following transactions in the books of Thiru C. Suresh 2010 Jan.
 - 1 Started business with ` 25,000
 - 2 Deposited into bank ` 23,500
 - 3 Purchased furniture by issuing cheque ` 2,000
 - 4 Cash purchases ` 5,000

- 5 Sold goods to Raj ` 150
 6 Goods worth ` 250 taken from the shop for personal use.
 22. a. From the following information ascertain gross profit and net profit

Stock at starting 2,400	Carriage inwards 524
Purchases 15,205	Manufacturing wages paid 2,800
Sales 20,860	Manufacturing wages owing 96
Closing stock 3,840	Loss due to fire 1,000
Returns outwards 185	Indirect expenses 200
Returns inwards 860	

OR

- b. From the following balances prepare trading and profit and loss account for the year ending 31.12.2010 and balance sheet as on that date:

Debit balance	`	Credit balance	`
Salaries	5,500	Creditors	9,500
Rent	1,300	Sales	32,000
Cash	1,000	Capital	30,000
Debtors	40,000	Loans	10,000
Sundry expenses	600		
Purchases	25,000		
Buildings	2,500		
Bank balance	5,600		

Adjustments:

- Closing stock ` 9,000
- Salary outstanding amounted to ` 1,100
- Rent paid in advance ` 100
- Provide 5% for doubtful debt against debtors.

23. a. An asset is purchased for ₹ 25,000. Depreciation is to be provided annually according to the straight line method. The useful life of the asset is 10 years and the residual value is ₹ 5,000.

You are required to find out the rate of depreciation and prepare asset account for the first three years.

OR

- b. Explain the internal and external causes of depreciation.
24. a. Write briefly about 'Cost Volume - Profit' analysis.

OR

- b. Explain the different types of standards.
25. a. How and why cash budgets are prepared?

OR

- b. What are the various kinds of capital investment proposals?

SECTION – C

Answer any THREE questions:

3 x 15 = 45

26. Who are the parties and why are they interested in accounting?
27. The following ledger balance were extracted from the books Jayanthi. You are required to prepare trading and profit and loss accounts and balance sheet as on 31st March 2010.

Debit balance	₹	Credit balance	₹
Drawings	2,000	Capital	10,000
Purchases	20,800	Sales	27,500
Stock on 1.4.2007	6,900	Creditors	8,100
Rent	1,000	Discount	270
Furniture	900	Returns outwards	580
Machinery	5,000	Bank loan	3,000
Traveling expenses	650		

Bad debts	120	
Returns inwards	300	
Carriage inwards	400	
Wages	325	
Salaries	900	
Interest	480	
Carriage outwards	700	
Insurance	900	
Cash in hand	575	
Debtors	7,500	
	49,450	49,450

Adjustments:

- a) Closing stock was valued at ` 8,900
 - b) Insurance prepaid ` 250
 - c) Outstanding salaries ` 100 and outstanding rent ` 200
 - d) Interest on bank loan ` 150
 - e) Depreciate machinery and furniture by 10% each
 - f) Provide for doubtful debts at 5% on debtors.
28. On 1st Jan. 2005, machinery was purchased by Dhaya for `50,000. On 1st July 2006, additions were made to the extent of `10,000. On 1st April 2007, further additions were made to the extent of `6,400. On 30th June 2008 machinery the original value of which was ` 8,000 on 1st Jan. 2005 was sold for ` 6,000. Depreciation is charged at 10% p.a. on original cost.
- Show the machinery account for the years from 2005 to 2008 in the books of Dhaya. He closes the books on 31st December.
29. Explain briefly the application of marginal costing technique.
30. Explain the important steps in the capital budgeting process.
