

**Professional Course Examination, May 2023**

( 2nd Semester )

**BACHELOR OF COMPUTER APPLICATIONS**

**( Accounting and Financial Management )**

*Full Marks : 75*

*Time : 3 hours*

*The figures in the margin indicate full marks for the questions*

**( PART : A—OBJECTIVE )**

( Marks : 25 )

SECTION—I

( Marks : 15 )

**A.** Tick (✓) the correct answer in the brackets provided : 1×10=10

1. Point out the correct equation.

(a) Assets = Liabilities – Capital ( )

(b) Assets = Liabilities + Capital ( )

(c) Liabilities = Assets + Capital ( )

(d) Capital = Assets + Liabilities ( )

2. The rule of debit and credit as regards \_\_\_\_\_ should be 'debit what comes in and credit what goes out'.
- (a) Personal Account ( )
  - (b) Real Account ( )
  - (c) Nominal Account ( )
  - (d) Multiple Account ( )
3. Trial Balance is
- (a) a statement ( )
  - (b) an account ( )
  - (c) a summary ( )
  - (d) an information ( )
4. Stock appearing outside the Trial Balance will be shown in
- (a) Trading Account ( )
  - (b) Balance Sheet ( )
  - (c) Trading Account and Balance Sheet ( )
  - (d) Profit and Loss Account ( )
5. The financial statements consist of
- (a) Trial Balance ( )
  - (b) Profit and Loss Account ( )
  - (c) Balance Sheet ( )
  - (d) All of the above ( )
6. Liquid assets = \_\_\_\_\_.
- (a) Current assets + Stock ( )
  - (b) Current assets – Stock ( )
  - (c) Current assets – (Stock + Prepaid expenses) ( )
  - (d) All of the above ( )

7. Ideal ratio between current assets and current liabilities is
- (a) 2 : 1 ( )
- (b) 1 : 1 ( )
- (c) 0.5 : 1 ( )
- (d) 3 : 1 ( )
8. The difference between fixed and variable cost has a special significance in the preparation of
- (a) flexible budget ( )
- (b) master budget ( )
- (c) cash budget ( )
- (d) capital expenditure budget ( )
9. The purpose of management accounting is to
- (a) past orientation ( )
- (b) help banks make decisions ( )
- (c) help managers make decisions ( )
- (d) help investors make decisions ( )
10. Cashbook does not record transaction of
- (a) cash nature ( )
- (b) credit nature ( )
- (c) cash and credit nature ( )
- (d) All of the above ( )

**B.** State whether the following sentences are *True (T)* or *False (F)* by putting a Tick (✓) mark in the brackets provided :

1×5=5

1. Standard costing is more widely applied in process and engineering industries.

( T / F )

2. Outstanding expenses are liabilities of the business.

( T / F )

3. Goodwill is tangible asset.

( T / F )

4. A fixed budget is always static.

( T / F )

5. Debt equity ratio measures short-term financial position of the business.

( T / F )

## SECTION—II

( Marks : 10 )

**C.** Answer the following questions :

2×5=10

1. (a) Mention any two advantages of accounting.

**OR**

(b) What is a Cashbook?

2. (a) What are the objectives of management accounting?

**OR**

(b) What is zero-based budgeting?

3. (a) What is standard costing?

**OR**

(b) What is budgetary control?

4. (a) Explain the term 'ratio analysis'.

**OR**

(b) State the meaning of Trial Balance.

5. (a) Define debtors.

**OR**

(b) What is the traditional approach to the rules of debit and credit?

**( PART : B—DESCRIPTIVE )**

( Marks : 50 )

**D.** Answer the following questions : 10×5=50

1. (a) Journalize the following transactions : 10

2023

<i>Date</i>	<i>Particulars</i>	<i>Amount (₹)</i>
Jan 1	Started business with cash	20,000
„ 3	Goods purchased for cash	5,000
„ 7	Goods sold to Mohan on credit	7,000
„ 10	Amount received from Mohan	6,900
	Discount allowed	100
„ 13	Amount withdrawn for personal use	3,000
„ 18	Furniture purchased for cash	3,000
„ 21	Machinery sold for cash	12,000
„ 26	Wages paid	3,200
„ 29	Rent received	2,000
„ 31	Amount withdrawn from bank	4,000

**OR**

(b) Define Accounting. Discuss the objectives of accounting. 2+8=10

2. (a) From the following Trial Balance of Mando Ltd., prepare Final Account as on 31st March, 2023 : 10

<i>Name of Accounts</i>	<i>Debit (₹)</i>	<i>Credit (₹)</i>
Capital		24,500
Drawings	2,000	
General Expenses	2,500	
Building	11,000	
Machinery	9,340	
Opening Stock	16,200	
Power	2,240	
Taxes and Insurance	1,315	

<i>Name of Accounts</i>	<i>Debit (₹)</i>	<i>Credit (₹)</i>
Wages	7,200	
Debtors	6,280	
Charity	105	
Creditors		2,500
Bad Debts	550	
Loan		7,880
Sales		65,360
Purchases	47,000	
Motor Vehicle	2,000	
Provision for Bad Debts		900
Commission		1,320
Salaries	1,800	
Bills Payable		3,850
Cash	80	
Bank Overdraft		3,300
	<u>1,09,610</u>	<u>1,09,610</u>

*Additional Information :*

- (i) Closing Stock was valued at ₹ 23,500
- (ii) Write off a further of ₹ 160 as Bad Debts
- (iii) Provide Provision for Bad Debts at 5% on Debtors
- (iv) Depreciate Machinery at 10% and Motor Vehicle at 10%
- (v) Provide ₹ 750 for Outstanding Salaries

**OR**

(b) What are the special features and objectives of Trial Balance?

5+5=10

3. (a) From the following Financial Statements of Mr. B. Ltd. for the year ending 31st March, 2023, you are required to calculate the following ratio :

10

- (i) Current Ratio
- (ii) Gross Profit Ratio
- (iii) Stock Turnover Ratio
- (iv) Net Profit Ratio
- (v) Liquidity Ratio

*Trading and Profit & Loss Account*

<i>Particulars</i>	<i>Amount (₹)</i>	<i>Particulars</i>	<i>Amount (₹)</i>
To Opening Stock	1,000	By Sales	8,000
» Purchases	4,000	» Closing Stock	2,000
» Gross Profit c/d	5,000		
	10,000		10,000
To Sundry Expenses	4,000	By Gross Profit b/d	5,000
» Net Profit	1,000		
	5,000		5,000

*Balance Sheet*

<i>Liabilities</i>	<i>Amount (₹)</i>	<i>Assets</i>	<i>Amount (₹)</i>
Capital	22,000	Fixed Assets	20,000
Add : Net Profit	<u>1,000</u>	Current Assets :	
	23,000	Liquid Assets	4,000
Current Liabilities	3,000	Stock	<u>2,000</u>
	26,000		6,000
			26,000

**OR**

(b) What are the different accounting ratios? Write the objectives and limitations of any four accounting ratios. 2+8=10

4. (a) Prepare Cost Sheet from the following data : 10

	₹
Direct Wages	2,40,000
Direct Material Purchased	3,22,000
Purchase Returns	13,000
Drawing Office Salaries	3,100
Carriage on Direct Materials	4,200
Chargeable Expenses	2,800
Provision for Bad Debts	2,400
Office Expenses	6,400

	₹
Factory Rent and Rates	14,600
Depreciation on Plant	8,600
Showroom Rent	3,000
Miscellaneous Selling Expenses	3,200
Lighting	900
Gas and Water	3,400
Power	2,800
Haulage Hire	2,000
Travelling Expenses	6,000
Labour Welfare Expenses	1,500
Sales of Scrap	4,600
Factory Supervision	450
Sales	3,500

**OR**

(b) What do you mean by Management Accounting? Explain the advantages and limitations of Management Accounting. 2+8=10

5. (a) The expenses budgeted for production of 10000 units in a factory are furnished below :

	<i>Per units</i>
Material	70
Labour	25
Variable Factory Overheads	20
Fixed Factory Overheads (₹ 1,00,000)	10
Variable Expenses	5
Selling Expenses (10% Fixed)	13
Distribution Expenses (20% Fixed)	7
Administrative Expenses (Fixed ₹ 50,000)	5
Total Cost of Sales	155

You are required to prepare a budget for the production of 8000 units. 10

**OR**

(b) What do you mean by budgetary control? Distinguish between budget and forecast. 2+8=10

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