

2018

MCA 2nd Semester Examination

ACCOUNTING & FINANCIAL MANAGEMENT

PAPER—MCA-202

Subject Code—32

Full Marks : 100

Time : 3 Hours

The figures in the margin indicate full marks.

Candidates are required to give their answers in their own words as far as practicable.

Illustrate the answers wherever necessary.

Answer Q. No. 1 and any *four* questions from the rest.

1. Answer any *four* of the following questions : $4 \times 5 \frac{1}{2}$

- (a) Discuss conservatism convention in accounting.
- (b) 'All transactions are events but all events are not transactions' — Explain the statement.

(Turn Over)

- (c) What do you mean by 'business entity' concept in accounting ?
- (d) Classify different types of accounts with suitable examples.
- (e) Distinguish between fixed cost per unit and variable cost per unit with a suitable example.
- (f) A company anticipates to earn a profit of Rs. 1,00,000. If its estimated sales are Rs. 8,00,000 and fixed costs are Rs. 4,00,000 then compute P/V Ratio of the company.
2. Pass necessary Journal entries for the following transactions :
- (a) Started business with Rs. 1,00,000.
- (b) Paid salaries amounting to Rs. 50,000.
- (c) Paid salaries by cheque Rs. 1,00,000.
- (d) Paid insurance by cheque Rs. 20,000.
- (e) Deposited Rs. 50,000 into the bank.
- (f) Furniture purchased amounting to Rs. 40,000.
3. From the following trial balance of Mr. Jony, prepare Trading, Profit & Loss A/C for the year ended 31.03.2018 and a balance sheet as on that date, after giving the effect of the adjustment :

Trial Balance as on 31.03.2018

<i>Particulars</i>	<i>Dr.</i> <i>(Rs.)</i>	<i>Cr.</i> <i>(Rs.)</i>
Drawings and capital	7,500	50,000
Purchases & sales	72,100	95,000
Return	1,300	2,700
Sundry debtors & creditors	18,200	35,750
Stock (1-4-2017)	19,800	
Bad debts	8,000	
Bills Receivable and payable	12,000	23,000
Cash in hand	300	
Office expenses	6,210	
Sales van	15,000	
Sales van expenses	1,400	
Discount		2,910
Rent & Taxes	10,700	
Telephone charges	1,050	
Postage & Telegram	950	
Furniture	5,000	
Printing & stationery	2,750	
Commission	8,400	
Carriage-in-ward	3,200	
Salaries & Wages	20,500	
	<u>2,09,360</u>	<u>2,09,360</u>

Adjustments :

- (a) Closing stock was valued at Rs. 61,700.
 - (b) Depreciate furniture at 10% and sales van at 20%.
 - (c) Outstanding rent amounted to Rs. 900.
 - (d) Bad debts Rs. 200/-
 - (e) Make a provision for bad & doubtful debts @ 5% on debtors.
 - (f) Charge $\frac{1}{4}$ th of salaries & wages to trading account.
4. Graphically explain break even analysis chart indicating profit and loss region.
5. Distinguish between : 4×3
- (a) Fixed asset and current asset ;
 - (b) NPV method and IRR method ;
 - (c) Revenue expenditure and capital expenditure.

6. The expenses budgeted for production of 10,000 units in a factory are furnished below :

	<i>Per unit (in Rs.)</i>
Materials	70
Labour	25
Variable factory O.H	20
Fixed factory O.H (Rs. 1,00,000)	10
Variable expenses (Direct)	5
Selling expenses (10% fixed)	13
Distribution expenses (20% fixed)	7
Administrative expenses (fixed Rs. 50,000)	5
Total cost of sales per unit	155

You are required to prepare a budget for the production of 6,000 units.

7. From the following information compute pay back period and NPV of a project :

Year	Estimated cash inflow
2019	60,000
2020	40,000
2021	30,000
2022	50,000

Initial investment Rs. 1,50,000.

Discounting factor is 10%.

8. Write a short note on :

3×4

- (a) Current ratio ;
- (b) Acid test ratio ;
- (c) Operating ratio ;
- (d) Net profit ratio.

[Internal Assessment : 30 Marks]
