

Paper Code: RCA-102

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**MCA**  
**FIRST SEMESTER EXAMINATION, 2016-17**  
**ACCOUNTING & FINANCIAL MANAGEMENT**

[Time: 3 hrs.]

[Max. Marks: 70]

**Note:** Attempt All questions. All questions carry equal marks.

1. Attempt any two part of the following: - (7x2=14)

- (a) What are the objectives of accounting? Differentiate between 'book-keeping' and 'accounting'. Discuss type of accounts with example.
- (b) What are accounting standards? Define any three accounting concepts with example.
- (c) Define the scope of financial management. How does the modern financial manager differ from the traditional financial manager? Could we say the Goodwill is equivalent to brand value?

2. Attempt any two part of the following: - (7x2=14)

- (a) What is Double Entry system of book keeping? Explain the rule for debiting and crediting the account heads. Also briefly discuss the books of accounts required to be maintained as per double entry system of book keeping.
- (b) Explain all accounting conventions with example.
- (c) (I) Define an asset? What are various classification of assets?  
(II) How will you deal with the following items appearing in a trial balance:
  - (i) Interest on capital
  - (ii) Closing stock
  - (iii) Depreciation
  - (iv) Income tax paid
  - (v) Interest on drawings

3. Attempt any two part of the following: - (7x2=14)

- (a) What are the limitations of journal? How ledger is prepared from journal? What are the uses of trial balance?
- (b) How trading account is different from manufacturing account? Prepare trading account from following information  
Opening stock Rs 16,000 , Closing Stock Rs. 12,000 , Purchase Rs. 54,000, Return outwards Rs. 1,000 , Wages Rs. 8,500 , Net Sales Rs. 78,000 ,Return inwards Rs. 1,800 , salary Rs 12,000 , import duty Rs 2,000, Carriage Rs 3,500 , Bad Debts Rs 2,500, Depreciation Rs 5,000 , stationary Rs 650.
- (c) Explain balance sheet. Discuss different types of balance sheet.  
Prepare a balance sheet in liquidity form from following information Cash in hand Rs. 7,000 , cash at bank Rs. 25,000, capital Rs. 3,00,000, Building Rs 80,500, land Rs.1,00,000, Furniture Rs.25,000, Debtors 50,000 , Creditors Rs. 15,000, Stock Rs. 14,000, B/P 12,000, Prepaid Expenses Rs. 2,000, B/R 45,000, machine Rs.55,000, Long term loan Rs 75,000, Drawings Rs 7,000, Net profit Rs 8,500

4. Attempt any two part of the following: - (7x2=14)

- (a) What is the need of ratio analysis? Define activity ratios.
- (b) (i) from following information Calculate stock turnover ratio  
sales Rs 4,00,000, G.P. 25% on cost, opening stock was of the value  $\frac{1}{3}$ <sup>rd</sup> of closing stock. closing stock was 30% of sales

- (ii) X Ltd has a current ratio of 3:1 and Liquid ratio 1:1. Its working capital is Rs 2,00,000. Calculate the value of stock.
- (c) (i) A company's stock turnover is 4 times, stock at the end of the year is Rs. 6,000 more than stock at the beginning of the year. Sales during the year (all credit) were Rs. 2,00,000. Rate of gross profit on sales is 20%. Current liabilities at the end of the year were Rs. 50,000. Quick ratio is 1:1. Calculate the current assets at the end of the year.
- (ii) Define all types of profitability ratios related to the sales.

5. Attempt any two part of the following: -

(7x2=14)

- (a) What is Fund from Operation? How is the amount of Fund from Operation computed? Write the sources and uses of "Fund flow statement".
- (b) What is meant by the term 'Cash Flows'? What is meaning of Cash Flow Statement? How is it prepared?
- (c) From the following balance sheets prepare schedule of changes in working capital

Liabilities	19X1 Rs.	19X2 Rs.	Assets	19X1 Rs.	19X2 Rs.
Equity share capital	2,00,000	1,90,000	Goodwill	6,000	7,000
General Reserve	7,000	12,000	Prepaid expenses	8,000	10,000
Profit & loss A/c	20,000	22,000	Debtors	76,000	83,000
Creditors	10,000	15,000	B/R	18,000	21,000
B/P	5,000	7,000	Patent	5,000	24,000
Outstanding expenses	6,000	9,000	Accrued Interest	3,000	3,800
Bank overdraft	17,000	22,000	cash	30,000	35,000
			Plant	25,000	21,000