



RF-4796

M. C. A. (Sem. I) Examination  
April / May – 2010  
Accounting & Financial Management

Time : 3 Hours]

[Total Marks : 70

Instructions :

(1)

नीचे दशांशवले निशानीवाणी विगतो उत्तरवडी पर अवश्य लपवी.  
Fillup strictly the details of signs on your answer book.

Name of the Examination :  
M. C. A. (Sem. 1)

Name of the Subject :  
Accounting & Financial Management

Subject Code No. : 4 7 9 6 Section No. (1, 2,.....): Nil

Seat No. :

Student's Signature

- (2) Figures to the right indicate full marks of the question.  
(3) Show the necessary calculation as a part of your answer.

1 From the following trial balance of Narmad Trading Co. Ltd as at 31-3-2010 and the adjustments given below Prepare the trading A/c, Profit & Loss A./c, Profit and Loss Appropriation account and the balance sheet : 14

Name of Accounts	Dr.	Cr.
Equity share capital of Rs.10 each .....	—	6,00,000
Buildings .....	4,00,000	—
Furniture .....	80,000	—
Share of Rs.10 in X Co Ltd Rs.8 paid .....	80,000	—
Opening Stock .....	2,00,000	—
Dividend Equalisation Fund .....	20,000	—
10% Debentures .....	—	1,00,000
Interest on Debenture .....	5,000	—
Goodwill .....	2,20,000	—
Bank overdraft (Unsecured) .....	—	70,000
Bills .....	80,000	45,000
Debtors and creditors .....	1,40,000	90,000
Discount on Issue of Shares .....	71,000	—

	Dr. ....	Cr. ....
Purchases & Sales .....	10,00,000 .....	14,00,000
Carriage inwards .....	50,000 .....	—
Carriage outwards .....	600 .....	—
Salary to staff .....	60,000 .....	—
Salary to Director .....	40,000 .....	—
General Exp. ....	50,000 .....	—
Int. on B.O.D. ....	3,000 .....	—
Legal charges .....	4,000	
Profit & Loss A/c. (1.4.2009) .....	— .....	1,50,000
Discount .....	— .....	14,000
Misc. Income .....	— .....	6,000
Cash in Hand .....	<u>6,000</u> .....	<u>—</u>
	<u><b>24,95,000</b></u>	<u><b>24,95,000</b></u>

Adjustments :

- (1) Closing stock was valued at Rs.250,000
- (2) Write off 1/4th of discount on issue of shares.
- (3) Provide Rs.80,000 for income tax
- (4) The directors have proposed dividend at 15%.
- (5) Depreciate buildings at  $2\frac{1}{2}\%$  and furniture at 10%.

2 The following are the summarised profit and loss account for the year ended 31-3-2010 and the balance sheet: 14

Trading and Profit & Loss Accounts for the year Ending  
31-3-2010

Particulars	Rs.	Particulars	Rs.
To opening Stock	20,000	By Sales	200,000
To purchases	110,000	By Closing stock	30,000
To gross profit	100,000		
	<b>230,000</b>		<b>230,000</b>
To administration exp.	30,000	By Gross profit	100,000
To interest	10,000		
To selling exp.	20,000		
To Net profit	40,000		
	<b>100,000</b>		<b>100,000</b>

### Balance Sheet

Liabilities	Rs.	Assets	Rs.
Capital	2,00,000	Land & Building	1,00,000
P & L A/c	40,000	Furniture	40,000
Creditors	50,000	Plant & Machinery	60,000
Bills Payable	30,000	Stock	30,000
		Debtors	30,000
		Bills Receivable	25,000
		Cash at Bank	35,000
	<b>3,20,000</b>		<b>3,20,000</b>

From the above information calculate the following ratios:

- (1) Current ratio
- (2) Operating ratio
- (3) Stockturnover ratio
- (4) Debtors turnover ratio (360 days)
- (5) Return on capital employed
- (6) Net Profit ratio
- (7) Gross Profit ratio.

**OR**

**2** From the following Balance Sheets of ABC Ltd, prepare

- (1) Statement showing changes in working capital
- (2) Fund flow statement

### Balance Sheet

Liabilities	31.3.2009	31.3.2010	Assets	31-3-2009	31-3-2010
Equity Capital	6,00,000	8,00,000	Goodwill	230,000	1,80,000
Prof. share			Building	4,00,000	3,40,000
capital	3,00,000	2,00,000	Plant and		
General reserve	80,000	1,40,000	Machinery	160,000	4,00,000
P&L A/c	60,000	96,000	Debtors	3,20,000	400,000
Proposed			Stock	154000	218000
dividend	84000	100,000	Bills		
Creditors	1,00,000	166000	receivable	40,000	60,000
Bills payable	40,000	32000	Cash in hand	30,000	20,000
Provisoins			Cash at Bank	20,000	16000
for Tax	80,000	100,000			
	<b>1354000</b>	<b>1634000</b>		<b>1354000</b>	<b>1634000</b>

Additional Information :

- (1) Depreciation for current year Rs.20,000 on Plant & Machinery Rs.40,000 on Land & Building.
- (2) An Interim dividend of Rs.40,000 has been paid in 2009-10.
- (3) Income Tax Rs.70,000 has been paid during 2009-10.

**3** From the following transactions prepare three column cash book of Shri Mahavir. **14**

2009

- April 1 : Cash balance Rs.4200. Bank Overdraft Rs.3050
- April 2 : Issued a cheque of Rs.2200 to Baba in Full payments of his due of Rs.2250.
- April 3 : Sold goods of Rs.4000 to Malaviya at 10% trade discount Paid half the amount by cheque.
- April 4 : Deposited Malaviya's cheque into bank.
- April 5 : Sold goods of Rs.3000 to Bhatia at 5% cash discount, He issued a cheque of 2/3 amount which is immediately deposited in the bank.
- April 6 : Purchased goods of Rs.5000 from Teja at 10% trade discount and 5% cash discount if the payment is made within 10 days.
- April 7 : The cheque received from Malaviya is dishonoured
- April 10 : Issued a cheque in full settlement to Tejas
- April 12 : Purchased stationery of Rs.200 by cheque.
- April 14 : Purchased goods of 2000 from Mehta at 10% trade discount and 5% cash discount. Paid Rs.410 in cash and remaining amount by cheques.
- April 25 : Withdrew from bank for office exp Rs.1000 and for household to Rs.250.
- April 30 : Keeping Rs.500 on hand, excess cash has been deposited in the bank.

**OR**

3 (a) The transactions of a business house in January 2010 were as follows: 10

- Jan 5 Purchased goods of Rs.5000 from Raman at 10% trade discount and 5% cash discount. Half the amount paid by cash.
- Jan 6 Sold all the goods purchased from Raman to Raju at 20% profit on sales price.
- Jan 8 Raju returned goods of Rs.800 being defective which we have returned to Raman.
- Jan 10 Purchased goods of Rs.2000 from Ruchita at a 10% trade discount.
- Jan 18 Sold goods of Rs.5000 to Rinal at 10% trade discount.
- Jan 20 Sent goods of Rs.4000 to Ramesh.
- Jan 29 Sold goods of Rs.2000 to Karan at 5% cash discount and received 3/4 amount in cash.
- Jan 30 An order for goods of Rs.1000 is received from Manish.

(b) Write short note on Debit note and Credit note. 4

4 The following are the balances of Vivekanand as on 30th June, 2009. 14

Debit balance	Rs.	Credit Balance	Rs.
Discount allowed	4000	Sales	3,88,000
Cash in hand	5000	Discount received	6416
Land	20,000	Rent recovered	1792
Building	11,200	Creditors	15441
Furniture	800	Capital	50,000
Motor Car	2400	Bad debts reserve	951
Motor Exp.	6400	Discount received	100
Debtor	7000		
Bills receivable	888		
Purchases	3,44,560		
Salaries	8304		
Rates	1104		
Repairs	944		
Telephone Exp.	816		
Light Exp.	1472		
Insurance	672		
	<b>4,63,600</b>		<b>4,63,600</b>

Prepare a trading A/c and Profit and Loss A/c and balance sheet as on 30th June, 2009 after taking into consideration the following:

- (1) Stock on 30th June Rs.54000
- (2) Depreciate building 5% p.a. Furniture 6% p.a., and motor car 20% p.a.
- (3) Provide bad debts reserve at 5% on Debtor.
- (4) Provide Manager's commission 10% on the net profit before charging such commission.

**OR**

- 4 Prepare a cost sheet from the following information 14  
of Mahavir Ltd.

	Rs.		Rs.
Raw Materials:		Purchases of	
Opening Stock	33000	raw material.	4,11,000
Closing Stock	22000	Worker progress:	
Sales of scrap of raw materials	1000	Opening Stock	15000
Depreciation:		Closing Stock	5000
Office furniture	6000	Expenses:	
Delivery van	5000	Income tax paid	70,000
Packing and advertisement exp.	10500	Direct wages	180,000
Technical Director fees	5000	Carriage inward	10,000
Other direct exp.	5800	Sales Director fees	3000
Exp. relating to administration	25000	Production expenses (Rs.12 per unit manufactured)	60,000
Expenses relating to Sales Office	10,000		

During the year 4000 units were sold at 20% profit on cost Finished goods are valued on the basis of Production cost. There has no opening stock of finished goods on the beginning of the year. Work in progress is valued at works cost level.

**5** Write short notes: (Any **three**)

**14**

- (1) Cost Concept
  - (2) Dual aspect concept
  - (3) Master File and Transaction File
  - (4) Importance of Financial Manager
  - (5) Factor affecting working capital requirement.
  - (6) Rules of Debit and Credit.
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