



SC-4304

M. C. A. (Sem. I) Examination  
April / May - 2011  
Accounting & Financial Management

Time : 3 Hours]

[Total Marks : 70

Instruction :

(1)

नीचे दृशावेक निशानीवाणी विगतो उत्तरवही पर अवश्य कभवी.  
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 3 0 4 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 Following given is trial balance of Shri Mahavir.

14

Particulars	Debit ₹	Credit ₹
Equity share capital	-----	15,00,000
Purchases and Sales	3,75,000	9,37,500
Bills	56,250	30,000
Bad debts and bad debts reserve	11,250	18,750
Machinery	9,37,500	
Opening Stock	1,53,750	
Commission	-----	15,000
General Reserve	-----	1,87,500
Goods return	75,000	37,500
Land and Buildings	6,45,000	-----
Investments	5,62,500	----
Loose Tools	18,750	-----

Debtors and Creditors	3,00,000	1,87,500
Furniture	56,250	----
Discount	18,750	----
Preliminary expense	67,500	----
Printing and Stationary	30,000	----
Interest on debenture	11,250	----
Debenture redemption fund	1,12,500	----
5% debentures	----	3,00,000
Provident Fund	----	93,750
Contribution to P.F.	45,000	----
Salary	75,000	----
Director's Fees	15,000	----
Insurance Premium	22,500	----
Wages	37,500	----
Goodwill		
Public Deposit	----	1,87,500
Profit and Loss		
Appropriation A/c (1.4.10)	----	1,42,500
	<b>39,00,000</b>	<b>39,00,000</b>

Additional Information :

- (i) The closing stock is valued at ₹ 2,50,000
- (ii) Write off 10% of preliminary expenses
- (iii) Depreciate machinery by 10% and land and building by 5%.
- (iv) Transfer ₹ 18,750 to general reserve.
- (v) Directors have recommended 10% dividend on each share.
- (vi) Provide ₹ 1,20,000 for income tax of the year.

From above information prepare trading account, profit and loss account profit and loss appropriation account for year ending 31st March 2011 and balance sheet as on that date.

- 2 The balance sheet of Shri Hiral Ltd. as on 31st March 2011 is as follows : 14

<b>Liabilities</b>	<b>₹</b>	<b>Assets</b>	<b>₹</b>
Equity share capital	50,00,000	Fixed Assets	70,00,000
10% pref. share capital	10,00,000	Investments	6,00,000
Reserve and surplus	20,40,000	Stock	12,00,000
10% Debentures	20,00,000	Debtors	4,00,000
Creditors	9,00,000	Cash and Bank	18,00,000
Bills Payable	2,00,000	Bills receivable	2,00,000
Bank Overdraft	1,00,000	Preliminary exp.	40,000
	<b>1,00,40,000</b>		<b>1,00,40,000</b>

Additional Information :

- (i) Credit sales is 60% of total sales.
- (ii) Stock on 1.4.2010 is ₹ 4,00,000.
- (iii) Gross profit is 60% of sales.
- (iv) Net Profit (before interest and tax) is ₹ 12,00,000 (Rate of tax is 50%).
- (v) Debtors ratio is 90 days.
- (vi) Working days are 360 days of the year. From the above information calculate the following ratios.
  - (a) Net Profit Ratio
  - (b) Stock turnover
  - (c) Opening ratio
  - (d) Current ratio
  - (e) Rate of return on capital employed.
  - (f) Capital gearing ratio
  - (g) Liquid ratio.

**OR**

- 2 The Balance sheets of National Co., as on 31.3.10 and 31-3-11 were as follows : 14

Liabilities	31.3.10 ₹	31.3.11 ₹	Assets	31.3.10 ₹	31.3.11 ₹
Share capital	5,00,000	7,00,000	Land and Building	80,000	1,20,000
Profit and Loss Account	1,00,000	1,60,000	Plant and Machinery	5,00,000	8,00,000
Reserve	50,000	70,000	Stock	1,00,000	75,000
Sundry Creditors	1,53,000	1,90,000	Debtors	1,50,000	1,60,000
Bills payable	40,000	50,000	Cash	20,000	20,000
Outstanding expenses	7,000	5,000			
	<b>8,50,000</b>	<b>11,75,000</b>		<b>8,50,000</b>	<b>11,75,000</b>

Additional Information :

- ₹ 50,000 has been charged on plant and machinery during 2010-11.
- A piece of machinery having book value of ₹ 5,000 is sold for ₹ 8,000.
- Funds from business operations for 2010-11 were ₹ 1,27,000.

Prepare :

- Statement of changes in working capital
- Plant and Machinery account and
- Funds Flow Statement.

- 3 From the following transactions prepare three column cash book at Kavita : 14

2011

- March
- Opening cash balance ₹ 6,000.  
Opening bank balance ₹ 4500
  - Goods of ₹ 6000 sold to Mitali at 10% trade discount and cheque of necessary amount is issued by Mitali at the same time.
  - Cheque issued by Mitali is deposited in the bank.
  - Goods of ₹ 9,000 sold for cash to Rany at 10% cash discount.

- 7 ₹ 4,500 deposited in the bank
- 8 ₹ 3,000 for salary and ₹ 750 for wages are paid by cash
- 11 ₹ 300 withdrawn from the bank for personal use
- 13 Life Insurance premium of ₹ 900 is paid by cheque
- 14 Cash purchase ₹ 1500
- 16 Cash sales ₹ 4500
- 18 Shop rent of ₹ 1800 is paid by cash
- 21 ₹ 3,000 withdrawn from the bank for payment of Fire Insurance Premium.
- 23 Fire Insurance premium of ₹ 3300 is paid by cash.
- 28 Bank has credited of ₹ 150 for bank interest and ₹ 75 for commission to our bank account/.
- 29 Dividend warrant of ₹ 2,000 is deposited in the bank.

**OR**

- 3** Prepare columnar subsidiary book viz purchase book, sale book, purchase return book and sale return book in the book of Shivani from the following transactions. **14**

**2011**

- March 1 Purchase from Axay 150 balls at ₹ 14 per ball and 75 bat at ₹ 300 per bat on one month's credit at 10% trade discount and 5% cash discount.
- 3 Sold following goods to Sahrukh at 5% cash discount.  
Balls : 45 nos. at ₹ 50 each  
Bats : 25 Nos. at ₹ 350 each
- 8 Purchased following goods from Dimple at 10% trade discount.  
Balls 75 Nos. at ₹ 90 each  
Bats : 15 Nos at ₹ 600 each
- 11 Sold following goods to Ajay at 5% trade discount  
Balls : 40 Nos. at ₹ 100 each  
Bats : 25 Nos. at ₹ 350 each
- 14 Ajay returned half of the goods and sent credit note No. 30 to him.

- 22 Returned following goods to Ajay  
 Balls : 25 Nos  
 Bats : 25 Nos
- 25 Goods purchased from Dimpal were sold to Bipasa  
 at following price :  
 Balls at ₹ 100 each  
 Bats at ₹ 650 each
- 29 Bipasa returned half of the goods which were  
 returned to Dimple.
- 30 Cash purchased :  
 Balls : 20 Nos. at ₹ 50 each  
 Bats : 20 Nos. at ₹ 240 each  
 Cash : Sales  
 Balls : 20 Nos at ₹ 60 each  
 Bats : 20 Nos at ₹ 270 each.

- 4 From the following trial balance of Shri Tejanand prepare 14  
 a trading account and profit and loss account for the  
 year ended 31st March 2011 and a balance sheet as on that  
 date :

**Trial Balance**

Debit Balance	₹	Credit Balance	₹
Plant and Machinery	40,000	Capital	60,000
Furniture and Fixtures	12,000	Sales	66,920
Opening stock	4,500	Bad debts reserves	2,500
Purchases	30,000	Discount	600
Debtors	20,400	Creditors	9,300
Returns inward	500	Bills payable	5,500
Fire Insurance Premium	900		
Salary	9,400		
Wages	4,600		
Bills receivables	8,720		
Bad debts	1,200		
Carriage Outward	600		
Cash at Bank	12,000		
	<b>1,44,820</b>		<b>1,44,820</b>

Adjustments :

- (i) Closing Stock ₹ 7,365
- (ii) Depreciate fixed assets on at 10% p.a.
- (iii) Provide bad debts reserve 5% on debtors.
- (iv) Calculate 6% interest on capital.

**OR**

- 4 From the following information of Krishna Ltd. prepare cost sheet for the year ended on 31.3.11. 14

Particulars	₹	Particulars	₹
<b>Raw Material :</b>		<b>Salary :</b>	
Opening Stock	25,000	Factory	40,000
Purchases	2,40,000	Office	84,000
Closing Stock	33,000	Sales Office	60,000
<b>Work-in-progress :</b>		<b>Carriage :</b>	
Opening stock	40,000	Material	8,000
Closing stock	40,000	For sales	10,000
<b>Wages :</b>		Other office expenses	30,000
Direct wages	50,000	Advertising exp.	15,000
Indirect Wages	8,000	Interest on debenture	10,000
Direct expenses	10,000	Write off goodwill	2,000
<b>Rent :</b>		Depreciation on	
Office	36,000	machinery	15,000
Sales Office	20,000	Packing expenses	5,000
Factory	22,000	Fuel and coal	15,000

- 5 Write short notes (any **three**) 14

- (i) Importance of Financial Management
- (ii) Master files and transactions files
- (iii) Cost concept
- (iv) Dual Aspect concept
- (v) Advantages of ratio analysis
- (vi) Sources of working capital finance.