

(8 pages)

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M.C.A. (CBCS) DEGREE EXAMINATION,
APRIL 2021.

Second Semester

Computer Applications – Core

FINANCIAL AND MANAGEMENT ACCOUNTING

(For those who joined in July 2020 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. Which of the following is not a limitation of Accounting?
 - (a) Based on Accounting Convention
 - (b) Evidence in Legal Matters
 - (c) Incomplete Information
 - (d) Omission of Qualitative Information

2. In accounts recording is made of ———.
- (a) Only financial transactions
 - (b) Only non-financial transactions
 - (c) Financial and non-financial transactions
 - (d) Personal transactions of the proprietor
3. 5,000 paid as rent of office premises is an ———.
- (a) Event (b) Transaction
 - (c) Occurrence (d) Amount
4. Which of the following transactions is not of financial character ———.
- (a) Purchase of goods on credit
 - (b) Purchase of a building
 - (c) Payment of salaries
 - (d) Strike by employees
5. Internal users of accounting information are ———.
- (a) Creditors
 - (b) Potential investors
 - (c) Managers
 - (d) Researchers

6. External users of accounting information are _____.
- (a) Researchers (b) Government
 - (c) Tax authorities (d) All of the above
7. On 31st December, 2010 Ashok Ltd. Purchased a machine from Mohan Ltd. For 1,75,000.
- (a) A transaction
 - (b) An event
 - (c) Both a transaction as well as an event
 - (d) None of these
8. Management accounting _____.
- (a) Is a clerical work
 - (b) Is accounting for future
 - (c) Is a recording technique of the management related transactions
 - (d) Is an analysis of past business activities
9. Which of the following is not the limitation of accounting?
- (a) Evidence in legal matters
 - (b) Incomplete information
 - (c) Based on accounting conventions
 - (d) Lack of qualitative information

10. At the end of the financial year after sale of goods worth 2,00,000, there was a closing stock of 10,000.
- (a) An event
 - (b) A transaction
 - (c) Both event as well as transaction
 - (d) None of these

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 250 words.

11. (a) What are Accounting rules? Give examples.
- Or
- (b) Explain the advantages of Journal and ledger.
12. (a) Prepare Trading Account of Siva for the year ending 31.3.2001

	Rs.
Opening stock	4,00,000
Purchases	43,00,000
Carriage inward	2,60,000
Wages	1,20,000
Credit sales	72,00,000
Cash sales	18,00,000
Sales returns	15,80,000
Purchase returns	50,000
Closing stock	5,00,000

Or

- (b) What is a Trial Balance? State its importance.

13. (a) From the following information relating to the Arun & Company.

	Rs.
Cash	18,000
Debtors	1,42,000
Closing stock	1,80,000
Bills payable	27,000
Creditors	50,000
Outstanding expenses	15,000
Tax payable	75,000

Calculate the liquidity ratio?

Or

- (b) Distinguish between the liquidity ratios and profitability ratios.
14. (a) Write down the importance of cost accounting.

Or

- (b) Explain the purpose of cost classification.
15. (a) Describe the advantages of standard costing.

Or

- (b) Summarize the importance of budgetary control.

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 600 words.

16. (a) Explain any four Accounting concepts.

Or

- (b) Distinguish between Financial Accounting and Management Accounting.

17. (a) From the following trial balance of Rajesh prepare Profit and Loss account for the year ended 31.03.2018.

	Debit	Credit
	Rs.	Rs.
Gross profit		9,50,000
Commission received		5,000
Interest received		4,000
Sundry income		7,000
Depreciation	10,000	
Salaries	15,000	
Discount (Dr.)	8,000	
Discount (Cr.)		12,000
Bank charges	4,000	
Audit fees	2,000	
Stationery	400	

Or

- (b) From the following data you are required to calculate the cash from operations :

Funds from operations for the year 1998 Rs. 84,000. Current assets and liabilities as on 1.1.98 and 31.12.98 were as follows :

	1.1.98	31.12.98
	Rs.	Rs.
Trade creditors	1,82,000	1,94,000
Trade debtors	2,75,000	3,15,000
Bills receivable	40,000	35,000
Bills payable	27,000	31,000
Inventories	1,85,000	1,70,000
Trade investments	40,000	70,000
Outstanding expenses	20,000	25,000
Prepaid expenses	5,000	8,000

18. (a) Prepare a schedule of changes in working capital from the following balance sheets :

Balance sheets					
Liabilities	1998	1999	Assets	1998	1999
	Rs.	Rs.		Rs.	Rs.
Share capital	50,000	50,000	Fixed assets	18,000	28,000
10% debentures	10,000	20,000	Investments :		
Bills payable	18,000	6,000	Non-trading	10,000	10,000

Outstanding			Trading	8,000	9,000
Expenses	6,000	9,000	Inventories	12,000	18,000
Trade creditors	33,000	40,000	Trade debtors	40,000	48,000
			Accrued interest	4,000	6,000
			Unexpired insurance	–	3,000
			Cash at bank	17,000	2,000
			Cash at hand	8,000	1,000
	<u>1,17,000</u>	<u>1,25,000</u>		<u>1,17,000</u>	<u>1,25,000</u>

Or

- (b) How will you prepare a fund flow statement? Explain.

19. (a) Illustrate the importance of break-even point.

Or

- (b) Discuss the need of P/V ratio with simple example.

20. (a) Compare the material cost and Labour cost.

Or

- (b) How will you prepare of sales budget? Give example.
