

Roll No.

DD-2878 (SE)

B. C. A. (Part III) EXAMINATION, 2020

Paper Eighth

FINANCIAL MANAGEMENT AND ACCOUNTANCY

Time : Three Hours

Maximum Marks : 50

Minimum Pass Marks : 20

Note : Attempt all the *five* questions. *One* question from each Unit is compulsory. All questions carry equal marks. Only simple calculator is allowed not scientific calculator.

Unit—I

1. What are the Accounting Principles ? What is their necessity ?

Or

The following Trial Balance was extracted from the books of a Merchant on 31st March, 2017 :

	₹	₹
Opening Stock	3,460	
Purchases and Sales	5,475	15,450
Sales Returns and Purchase Returns	200	125

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Bad Debts	125	
Reserve for Bad Debts		200
Advertisement	450	
Interest	118	
Commission		375
Taxes and Insurance	1,250	
General Expenses	782	
Salaries	3,300	
Furniture	640	
Delivery Van	6,250	
Buildings	7,500	
Capital Accounts		12,500
Debtors and Creditors	3,800	2,500
Bank Overdraft		2,850
Cash in Hand	650	

From the following information prepare Trading and Profit & Loss Account and Balance Sheet :

- (i) Stock on 31st March, 2017 was valued at ₹ 3,250.
- (ii) Depreciate Building at 5%, Furniture at $7\frac{1}{2}\%$ and Delivery Van at 18%.
- (iii) One-third of the commission received is in respect of work to be done next year.
- (iv) Goods costing ₹ 600 were taken away by the proprietor for his personal use, for which no record has been made in the books.
- (v) Create a Reserve 5% for Bad and Doubtful debts on debtors.

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Unit—II

2. From the following data, calculate :

- (a) Gross Profit Ratio
- (b) Net Profit Ratio
- (c) Current Ratio
- (d) Liquid Ratio

Sales ₹ 34,000; Sales Returns ₹ 4,000; Cost of Net Sales ₹ 20,000; Net Profit ₹ 3,000; Current Assets ₹ 6,000; Stock ₹ 1,000; Current Liabilities ₹ 2,000.

Or

What is Cost Accounting ? Discuss the nature of Cost Accounting.

Unit—III

3. What do you understand by Cost-Volume-Profit relationship ? Why is this relationship important in Business Management ?

Or

The Modern Machine Co. Ltd. places before you the following figures :

	Sales (₹)	Profit (₹)
2015-16	2,00,000	10,000
2016-17	1,80,000	2,000

You are required to :

- (i) Determine P/V Ratio.
- (ii) Determine sales at Break-even point.
- (iii) Predict the expected profit or loss with sales of ;
 - (a) ₹ 1,50,000
 - (b) ₹ 3,00,000

[4]

Unit—IV

4. What do you understand by Budgeting ? Discuss the objects of Budget.

Or

With the help of the following data for a 60% activity, prepare a budget for production at 80% and 100% capacity :

Production at 60% Capacity	600 units
Materials	₹ 100 per unit
Labour	₹ 40 per unit
Expenses	₹ 10 per unit
Factory expenses	₹ 40,000 (40% fixed)
Administration expenses	₹ 30,000 (60% fixed)

Unit—V

5. What is Job Costing ? Explain the advantages and disadvantages of job order costing.

Or

What do you understand by Variable (Marginal) Costing ? State its usefulness as a tool for decision-making.

1,650