



(Following Paper ID and Roll No. to be filled in your Answer Book)

PAPER ID : 7302

Roll No.

--	--	--	--	--	--	--	--	--	--

M.C.A.

(Only for the candidates admitted/Readmitted in the session 2008-09)

(SEM. I) EXAMINATION, 2008-09**ACCOUNTING & FINANCIAL MANAGEMENT***Time : 3 Hours]**[Total Marks : 100***SECTION - A****1 Attempt all questions of this section : 1×10**

Fill up the blanks with the word debits or credits whichever is suitable from part a to part d and choosing suitable words from part e to part j.

- (a) Decrease in liabilities are _____
- (b) Increase in assets are _____
- (c) Decrease in Revenues are _____
- (d) Increase in expenses are _____
- (e) Balance sheet prepared at the end of an year summaries the balances in _____
- (f) Liquidity refers to nearness of an item to _____
- (g) _____ are claims of outsiders against the business.



- (h) _____ increase owner's equity.
- (i) Asset losses expected out of non-collection of receivables are called _____
- (j) Expired cost with respect to a fixed asset is referred to as _____ expense.

Explain the following terms precisely :

1×10

- (k) Working capitals
- (l) Assets
- (m) Nominal accounts
- (n) Net profits
- (o) Shareholders
- (p) Debentures
- (q) Creditors
- (r) Ratio Analysis
- (s) Profit and Loss A/c
- (t) Closing Stock.

SECTION - B

2 Attempt any **three** of the following:

10×3

- (a) Discuss the 'double entry system' and also explain the merits of double entry system.
- (b) Why should accounting practices be standardised? What progress has been made in India regarding the standardisation of accounting practices?

(c) Record the following transaction in general journal and post them to ledger :

- (i) Commercial business with costs of Rs. 50,000
- (ii) Purchased goods for cash Rs. 16,000
- (iii) Paid rent for the month Rs. 2,000
- (iv) Purchased equipments for cash Rs. 6,000
- (v) Paid miscellaneous expenses Rs. 2,600
- (vi) Paid creditors Rs. 11,000
- (vii) Received Rs. 4,200 as commission
- (viii) Received from cash sales, Rs. 12,000

From the following statement calculate :

- (i) Current Ratio
- (ii) Liquidity ratio
- (iii) Debt-Equity Ratio
- (iv) Solvency Ratio

Condensed Balance Sheet

Liabilities	Rs.	Assets	Rs.
Paid up capital	1,00,000	Fixed assets less dep.	2,19,810
Reserves and surplus	84,500	Stock	49,460
Debentures	1,00,000	Trade debtors	11,710
Bill payable	6,500	Cash bank	26,020
Creditors	16,000		
	3,07,000		3,07,000



- (e) From the following, prepare schedule of changes in working capital.

Liabilities	31-3-92 Rs.	31-3-91 Rs.	Assets	31-3-92 Rs.	31-3-91 Rs.
Equity share capital	30,000	35,000	Goodwill	10,000	8,000
Gen. reserve	10,000	15,000	Machine	41,000	54,000
Profit & loss A/c.	6,000	7,000	Investment	3,000	8,000
Debentures	15,000	25,000	Debtors	8,000	19,000
Creditors	7,500	11,000	Stock	4,000	5,500
Bills payable	1,000	1,500	Cash	12,000	13,000
Provision for depreciation on machine	9,000	13,000	Discount on debentures	500	-
	78,500	1,07,500		78,500	1,07,500

SECTION - C

Attempt **all** questions : $10 \times 5 = 50$

3 Attempt any **one** of the following:

- Distinguish management accounting from financial accounting.
 - Discuss the role of accountants in modern business organization.
- What are basic concepts of accounting? Explain.

4 Attempt any **one** of the following:

- What do you understand by ledger posting? Write the procedure for balancing a ledger account with suitable examples.
- What is trial balance? Discuss the objectives of preparing trial balance.

5 Attempt any **two** of the following:

- Explain the difference between trading account and profit and loss account.
- Write short note on final account.



- (c) From the following information prepare a balance sheet

Cash in hand Rs. 8800, cash in bank Rs. 20000, general expenses Rs. 5000, capital Rs. 3,26,000, machines Rs. 1,20,000, furnitures Rs. 25,200, advertising Rs. 8000, debtors Rs. 170,000, creditors Rs. 60,000, stock Rs. 54,000, bill payable Rs. 14,000 prepaid expenses Rs. 2,000.

6 Attempt any **one** of the following:

- (a) What are the different types of financial ratios? Discuss the importance of liquidity ratios.
- (b) Write short notes :
- (i) Solvency ratio
 - (ii) Profitability ratio.

7 Attempt any **one** of the following :

- (a) What are the differences between a cash flow statement and funds' flow statement? Discuss in brief.
- (b) Calculate funds from operations from the following informations :

Gross sale made during the year Rs. 21,600

Sale return Rs. 1,600, Stock adjustment Rs. 6,000

Net purchase Rs. 8,000, direct expenses Rs. 2,000

Selling and distribution expenses Rs. 3,000, Non-operating expenses Rs. 5,000, non-operating income Rs. 2,000

