

Register Number :

Name of the Candidate :

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B.C.A. DEGREE EXAMINATION, 2008

(SECOND YEAR)

(PART - III)

(PAPER - VIII)

620 / 220. BUSINESS AND ACCOUNTING

(*New Regulations and Revised Regulations*)

(*Including Lateral Entry*)

December]

[Time : 3 Hours

Maximum : 100 Marks

SECTION - A (8 × 5 = 40)

Answer any EIGHT questions.

All questions carry equal marks.

1. Define Bank Reconciliation statement and write its importance.

Turn over

2. Calculate the trend percentage from the following figures of HIRTHICK enterprises, taking 1996 as the base :

Year	Sales	Stock	Profit before tax (Rs. in lakhs)
1996	1881	709	321
1997	2340	781	435
1998	2655	816	458
1999	3021	944	527
2000	3768	1154	678

3. Explain the limitations of ratio analysis.
4. Explain the following concepts :
- Indirect materials.
 - Indirect labour.
 - Indirect expenses.

15. From the following particulars, ascertain the bank balance as per cash book of Mr. Subburaman as at 31st March, 2005 :

- Credit balance as per pass book as on 31-3-2005 - Rs. 2,500.
- Bank charges of Rs. 60 had not been entered in the cash book.
- Out of the cheque of Rs. 3,500 paid into the bank, a cheque of Rs. 1,000 was not yet credited by the banker.
- Out of the cheques issued for Rs. 4,500, cheques of Rs. 3,800 only were presented for payment.
- A dividend of Rs. 400 was collected by the banker directly but not entered in the cash book.
- A cheque of Rs. 600 had been dishonoured prior to 31-3-2005, but no entry was made in the cash book.

13. What do you understand by the term “Break - Even Analysis”? Enumerate the merits and demerits.
14. Calculate the average rate of return for projects - A and B from the following :

	Project - A	Project - B
Investments	Rs. 20,000	Rs. 30,000
Expected life	4 years	5 years

(No solvage value)

Project net income (after, interest, depreciation and taxes)

Year	Project - A Rs.	Project - B Rs.
1	2,000	3,000
2	1,500	3,000
3	1,500	2,000
4	1,000	1,000
5	-	1,000
	6,000	10,000

If the required rate of return is 12 %, which project should be undertaken ?

5. Determine the value of closing stock from the following details :

Sales Rs. 4,00,000

Gross profit ratio : 10 % on sales.

Stock velocity = 4 times.

Closing stock was Rs. 10,000 in excess of opening stock.

6. Discuss the importance of working capital for a manufacturing concern.
7. A project cost Rs. 5,00,000 and yields annually a profit of Rs. 80,000 after depreciation at 12 % p.a. but before tax of 50 %. Calculate pay back period.
8. What are the demerits of marginal costing ?
9. Prepare trading account of Mrs. Meera for the year ending 31-12-2002 from the following informations :

	Rs.
Opening stock	- 80,000
Purchase	- 8,60,000

Turn over

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		Rs.
Freight inwards	-	52,000
Wages	-	24,000
Sales	-	14,40,000
Purchase returns	-	10,000
Sales returns	-	3,16,000
Closing stock	-	1,00,000
Import duty	-	30,000

10. What are the requirements of a good budgetary control system ?

SECTION - B (3 × 20 = 60)

Answer any THREE questions.

All questions carry equal marks.

11. Discuss the managerial uses of Funds Flow statement. What are its limitations ?

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12. From the following balance sheet of TVS. Ltd. prepare a cash flow statement :

Liabilities	30-6-2004	30-6-2005	Assets	30-6-2004	30-6-2005
	Rs.	Rs.		Rs.	Rs.
Share capital	8,000	8,500	Land	5,000	5,000
Retained earnings	1,450	2,450	Plant	2,400	3,400
Creditors	900	500	Debtors	1,650	1,950
Mortgage loan	-	500	Stock	900	700
			Cash	400	900
	10,350	11,950		10,350	11,950

Turn over