

Total number of printed pages – 6

MCA
MGT 3003

Third Semester Examination – 2008

FINANCIAL AND MANAGEMENT ACCOUNTING

Full Marks – 70

Time : 3 Hours

Answer Question No. 1 which is compulsory
and any five from the rest.

Figures in the right hand margin
indicate marks.

1. Answer the following questions : 2×10
- (a) What do you mean by Accounting standards ?
 - (b) Name two internal users of accounting information.
 - (c) What do you mean by Marshalling of Assets and Liabilities ?

P.T.O.

(d) In which side of the Trial Balance the following items appear ?

- (i) Outstanding Rent
- (ii) Apprentice Premium.

(e) Pass opening journal entry from the following information :

	Rs.		Rs.
Land & Building	75,000	Creditors	10,000
Plant & Machinery	50,000	Furniture	10,000
Loan	50,000	Cash	5,000
Debtors	20,000		

- (f) What is meant by over subscription of shares ?
- (g) Give two distinctions between equity share and preference share.
- (h) What is Debt Equity Ratio ?
- (i) Distinguish between Gross Concept and Net Concept of working capital.
- (j) Give one major difference between Funds flow and Cash flow analysis.

2. What do you mean by Generally Accepted Accounting Principles (GAAP) ? Explain the important concepts which form the backbone of Accounting. 2+8

3. What do you mean by Working Capital ? Discuss the factors influencing working capital requirements. 10

4. From the following prepare Trading, Profit / Loss A/c. and Balance Sheet as on 31st December, 2007 : 10

Particulars	Amount (Rs.)	Particular	Amount (Rs.)
Opening Stock	10,000	Sales	90,000
Cash at Bank	4,000	Bank overdraft	25,000
Purchases	70,000	Returns outward	4,000
Return inward	3,000	Creditors	21,000
Debtors	30,000	Capital	30,000
Building	30,000	Provision for	
Furniture & Fittings	7,000	Bad Debt	2,000
Carriage inward	1,000	Commission	2,000
Salaries	11,000		
Trade expenses	6,500		
Insurance	1,500		
	1,74,000		1,74,000

Additional Information :

- (a) Closing stock Rs. 15,000.
- (b) Building and Furniture / Fittings are to be depreciated @ 10% and 20% respectively.
- (c) Further Bad debts Rs. 1,000 are to be written off and provision of 5% is to be maintained.
- (d) Commission received in advance Rs. 1,000.

5. From the following Balance Sheet of Shoubhagya Ltd. prepare schedule of changes in Working Capital and Funds Flow Statement : 10

Liabilities	2005 (Rs.)	2006 (Rs.)	Assets	2005 (Rs.)	2006 (Rs.)
Share Capital	1,00,000	1,25,000	Land & Building	1,00,000	95,000
General reserve	25,000	30,000	Plant & Machinery	75,000	84,000
P/L Account	15,250	15,300	Stock	50,000	37,000
Bank Loan	35,000	-	Debtors	40,000	32,000
Creditors	75,000	67,500	Cash	250	800
Bills payable	15,000	17,000	Bank Bills Receivables	-	4,000
					2,000
	2,65,250	2,55,300		2,65,250	2,55,300

Additional Information :

- (a) Dividend of Rs. 11,000 was paid during 2006.
- (b) Depreciation on Plant and Machinery was written off @ 10% p.a.

6. From the following particulars prepare a statement of working capital requirements. 10

Raw material	Rs. 40 per unit
Labour	Rs. 10 per unit
Overhead	Rs. 30 per unit

- (a) The level of activity is 1,30,000 units
- (b) Selling price is Rs. 1.20 per unit
- (c) Raw materials in stock – 6 weeks
- (d) Raw materials in process – 4 weeks
- (e) Finished goods in stock – 8 weeks
- (f) Credit allowed by suppliers – 4 weeks
- (g) Credit allowed to Debtors – 10 weeks
- (h) Time lag for payment of wages – 2 weeks
- (i) Cash requirement Rs. 1,00,000.

- ✓ 7. (a) What do you understand by issue of shares at par, premium and discount ?
4
- (b) Give journal entries for issue of shares from application money to final call. 6
- ✓ 8. What is Ratio Analysis ? Explain the liquidity and profitability ratios with suitable examples.
2+8

HowToExam.com