

MCA-653

MCA-13

M.C.A. DEGREE EXAMINATION – JUNE 2008.

Second Year/Third Semester

ACCOUNTING AND FINANCE ON COMPUTERS

Time : 3 hours

Maximum marks : 75

Answer for 5 marks questions should not exceed
2 pages.

Answer for 10/15 marks questions should not exceed
5 pages.

PART A — (5 × 5 = 25 marks)

Answer any FIVE questions

1. State the rules of debiting and crediting.
2. How is cost volume profit analysis useful to the management?
3. Explain the significance of capital gearing ratio.
4. How does cash budget help the management?

5. The Balance Sheet of Alarm Ltd at the end of 1998 and 1999 are given below. You are required to prepare a Schedule of changes in Working Capital.

Liabilities	1998 Rs.	1999 Rs.	Assets	1998 Rs.	1999 Rs.
Shares Capital	1,00,000	1,50,000	Land	1,00,000	1,00,000
Share Premium	–	50,000	Plant at cost	1,10,000	1,00,000
General Reserve	50,000	60,000	Debtors	50,000	70,000
Creditors	2,10,000	80,000	Stock	40,000	50,000
	<u>3,60,000</u>	<u>3,40,000</u>	Cash	<u>60,000</u>	<u>20,000</u>
				<u>3,60,000</u>	<u>3,40,000</u>

6. From the following particulars calculate wages earned by workers A and B respectively under Taylors system.

Standard time allowed : 10 units per hour

Normal wage rate : Rs 1 per hour

Differential rates to be applied :

75 per cent of piece rate when below standard efficiency

125 per cent of piece rate when at or above standard production on a day of 8 hours

A - 60 units

B - 100 units.

7. Find out the quantity of Raw material to be purchased from the following details.

Opening stock of Raw materials 15,000 kgs
Material expected to be consumed 20,000 kgs
Closing stock of Raw material required 10,000 kgs.

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions.

8. Discuss the various types of accounts.
9. How are the working capital needs of a firm determined?
10. Define cost accounting. What are its objectives?
11. K. Ltd Produces and sells a product for which total capacity of 2000 units exists. The following expenses are for the production of 1,000 units of the product which is sold at Rs. 130 per unit.

	Per unit (Rs.)
Direct materials	20
Direct wages	30
Administration overheads (constant)	20
Selling expenses (50% fixed)	10
Distribution expenses (25% fixed)	<u>20</u>
	<u>100</u>

You are required to prepare a flexible budget for the production and sale of 1,200 units and 2,000 units

showing clearly the marginal (variable) cost and total cost at each level.

12. The following are the Income statement of J.Ltd. For the year ending 31st December 1999 and 1998. You are required to prepare a comparative Income statement for the two years.

	31.12.1998	31.12.1999
	Rs.	Rs.
Net Sales	10,00,000	12,00,000
Cost of goods sold	5,50,000	6,05,000
Operating expenses		
Administration	80,000	1,00,000
Selling	60,000	80,000
Non-operating expenses		
Interest	40,000	50,000
Income tax	50,000	80,000

13. From the following Trail Balance prepare Trading, Profit and Loss account and Balance Sheet for the Year ending 31st March 2001.

Trial Balance as on 31st March 2001

Particulars	Debit	Credit
	Rs.	Rs.
Shares Capital		2,00,000
Furniture	1,00,000	
Sundry debtors	30,000	
Sundry Creditors		30,000
Cash in hand	10,000	
	Rs.	Rs.
Purchases	50,000	
Sales		40,000

Purchases returns		2,000
Wages	7,000	
Telephone bill	4,000	
Carriage outwards	3,000	
Selling expenses	6,000	
General expenses	8,000	
Opening stock	40,000	
Discount allowed	2,000	
Administrative expenses	5,000	
Postage and stationary	2,000	
Discount received		3,000
Administrative expenses	<u>8,000</u>	
	<u>2,75,000</u>	<u>2,75,000</u>

The following adjustments are to be made:

- (a) Depreciate Furniture by 5%
- (b) Outstanding Rent is Rs. 200
- (c) Insurance premium paid up to 30th June 2001
- (d) Stock in hand as on 31st December is Rs. 30,000
- (e) Provide Reserve for bad debts 10%.

14. Ms. Asoka Ltd. has submitted the following Balance Sheet for the year ending 31st March 2007

Liabilities	Rs.	Assets	Rs.
Equity Capital	1,50,000	Fixed Assets	1,62,000

Revenue reserves	30,000	Current Assets :	
8% Debentures	20,000	Stock	22,000
Sundry Creditors	49,000	Debtors	51,000
		Bills Receivable	2,000
		Bank	12,000
	<u>2,49,000</u>		<u>2,49,000</u>

Find the Current ratio and Liquid ratio and comment on the financial condition of the company.

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