

Total No. of printed pages = 4

CA 132104

Roll No. of candidate

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23/3722

2022

M.C.A. 1st Semester End-Term Examination
ACCOUNTING AND FINANCIAL MANAGEMENT
(For New Regulation (we.f 2017-18))

Full Marks – 70

Time – Three hours

The figures in the margin indicate full marks
for the questions.

Question No. 1 is compulsory and answer any *four* from the rest.

1. State true or false (10 × 1 = 10)
- (a) Depreciation is the decrease in the value of current assets.
 - (b) Salary is a Nominal Account.
 - (c) Balance Sheet is a income statement.
 - (d) When a Machinery is purchased, its Machinery A/c debited.
 - (e) Ledger is the primary book of entry.
 - (f) At BEP there is some amount of profit.
 - (g) The person who starts a business is called Debtor.
 - (h) Cash book records only credit transactions.
 - (i) According to Personal A/c, Credit means all losses and expenses.
 - (j) It is not compulsory to write narration in a journal.

[Turn over

2. (a) Define Accounting. What are the features of Accounting? (1+4=5)

(b) Pass journal entries in the books of M/s Supriya Enterprise for the month of March, 2021

2021

- Mar 01 - Miss Supriya started business with a bank balance of Rs 38,000 and Rs 51,000 as cash balance.
- Mar 03 - Cash withdrawn from the bank of Rs 3,300 for business purpose.
- Mar 06 - Purchased a calculator of Rs 600 and the payment made through cheque.
- Mar 09 - Goods Sold to Mr Rahul of Rs 3,120 on credit for one month.
- Mar 13 - Cash withdrawn by the owner from the bank of Rs 1,400 for personal and Rs 1,600 for office use.
- Mar 16 - Salary and Advertisement paid of Rs 4,100 and Rs 2,700 respectively in cash.
- Mar 19 - Cheque issued to Mr. Gunamoni of Rs 850 against the amount due of Rs 1,100 in full settlement of the claim.
- Mar 22 - Cash received of Rs 4,500 from Arup and cheque paid to Birup of Rs 1,650.
- Mar 27 - Purchased a Furniture in cash of Rs 3,200 at a discount of 10%.
- Mar 31 - Paid insurance premium of Rs 1,200 by cheque.
- Mar 31 - Received Dividend in bank account of Rs 4,500. (10)

3. (a) What are the sources of Capital Budgeting? (5)

(b) Prepare a Triple column in the books of M/s Barman Entp. for the month of January, 2021

2021

- Jan 01 - Balance of cash in hand Rs 56,000 and at bank Rs 37,000.
- Jan 03 - Purchased a computer by cheque of Rs 4,000.
- Jan 08 - Goods purchased of Rs 2,760 and payment made Rs 1,340 in cash and the remaining through cheque.
- Jan 11 - Sold goods of Rs 2,850 in cash at a discount of 10%.

- Jan 13 - Cheque received from Mr. Prabhas of Rs 4,550 and it is immediately deposited into the bank.
- Jan 16 - A cheque received from Haridas of Rs 3,200.
- Jan 20 - Cheque of Haridas is deposited into the bank.
- Jan 21 - Received Rs 1,650 from Miss Sukanya in full settlement of her account of Rs 1,800.
- Jan 25 - Sold goods to Mr. Arindam of Rs 1,670 on credit.
- Jan 26 - Cash withdrawn by the owner for office use of Rs 2,450.
- Jan 28 - Paid Rent to the landlord of Rs 2,450 by cheque.
- Jan 29 - Withdrawn from bank of Rs 1,700 for the personal use by the owner.
- Jan 31 - Old Furniture sold of Rs 1,500 in cash. (10)

4. (a) Write the difference between Fixed Instalment Method and Diminishing Balance Method of charging depreciation. (5)
- (b) Mr Kumar purchased a Machinery on 1.1.2018 for Rs 45,000 and paid the installation charges of Rs 7,000. The machine is subject to rate of depreciation @ 20% p.a. under Fixed Instalment Method. He follows 31st December as the end of accounting year.

On 1.10.2020, the machine purchased on 1st Jan, 2018 was sold for Rs 27,000. On the same date Mr. Kumar purchased another machine costing Rs 18,000 from M/s Lava Entp. subject to the same rate of depreciation. Show the appropriate working notes.

You are required to prepare -

BINA CHOWDHURY CENTRAL LIBRARY
 (JNT & RIPS)
 Azeez Hatki Wapara,
 Hyderabad - 781017

- (i) Machinery Account till 31.12.2020
- (ii) Depreciation Account till 31.12.2020 (5+5=10)
5. (a) Define Break Even Point? What are the assumptions of BEP? (2+4=6)
- (b) The following data is supplied for a particular period of Dimpal Enterprise -
- Fixed cost - Rs 48,000, Selling price - Rs 60 per unit, Variable cost - Rs 36 per unit. Unit produced - 20,000. What will be the profit when sales are Rs 2,40,000 and Rs 4,00,000 respectively? What will be the amount of sales if it is desired to earn a profit of Rs 12,000 and 40,000 respectively? (9)

6. Write short notes on the following (any three)

(3 × 5 = 15)

- (a) Accounting Information
- (b) Ratio Analysis
- (c) Journal vs Ledger
- (d) Fund Flow Statement
- (e) Profit Volume Ratio
- (f) Causes of Depreciation

7. Following is the Trial Balance of Gargi Ltd. as on 31.3.2021, you are required to prepare –

(a) A Trading and Profit & Loss Account for the year ended on 31.3.2021

(5+5=10)

(b) A Balance Sheet on 31.3.2021.

(5)

Trial Balance as of 31.03.2021

Particulars	Rs	Particulars	Rs
Opening Stock	40,000	Capital	1,20,000
Purchases	4,30,000	Sundry Receipts	32,500
Furniture	90,000	Bank Overdraft	10,000
Machinery	75,000	Discount Received	5,500
Drawings	10,000	Interest on investment	8,500
Wages	10,000	Sales	7,20,000
Freight on Purchases	4,000	Sundry Creditors	43,000
Fuel	7,000	Return Outward	10,000
Salaries	25,000	Rent Received	1,000
Advertisement	6,000	Commission Received	6,000
Rent and Insurances	7,000	Bills Payable	27,000
Postage	4,000	Bank loan	50,000
Land & Building	45,000	Dividend Received	16,500
Bad Debt	7,500		
Establishment Expenses	3,000		
Return inward	8,000		
Investment	40,000		
Discount Allowed	2,500		
Cash in Hand	23,000		
Cash at bank	22,000		
Sundry Debtors	31,000		
Printing & Stationary	10,000		
Goodwill	1,50,000		
Total	10,50,000	Total	10,50,000

Adjustments-

- (i) Closing Stock on 31-12-2021 is Rs 20000.
- (ii) Interest on investment accrued Rs 1400.
- (iii) Depreciate Furniture by 10% p.a. and Machinery by 20% p.a.
- (iv) Salaries Outstanding Rs 800.
- (v) Insurance Prepaid Rs 550.