

D 51544

(Pages : 4)

Name.....

Reg. No.....

THIRD SEMESTER B.C.A. DEGREE EXAMINATION, NOVEMBER 2013

(UG-CCSS)

Complementary Course

CA 3C 05—FINANCIAL AND MANAGEMENT ACCOUNTING

Time : Three Hours

Maximum : 30 Weightage

Part A

*This part consists of three bunches of questions carrying equal weight of 1.
Each bunch consists of four objective type questions.
Answer all questions.*

I. 1 Depreciation is provided on :

- (a) Fixed Assets. (b) Outward charges.
(c) Current Assets. (d) Intangible Assets.

2 A budget is a projected plan of action in :

- (a) Physical units.
(b) Monetary terms.
(c) Physical units and for monetary terms.
(d) None of the above.

3 Increase in a fixed asset due to purchase is :

- (a) Source of funds. (b) Use of funds.
(c) No flow of funds. (d) None of the above.

4 Long-term solvency is indicated by :

- (a) Current Ratio. (b) Debt/Equity Ratio.
(c) Net Profit Ratio. (d) Acid test Ratio.

II. Fill in the blanks

5 Gross Profit + Opening Stock + Purchases + Direct Expenses – Sales = _____

6 Difference between Current Assets and Current Liabilities is known as _____

7 At break-even point _____ is equal to fixed costs.

8 Liquidity is the ability of an organisation to meet _____ liabilities out of its current assets.

Turn over

III. Give the answer in single word :

- 9 Assets that are meant to be converted into cash as soon as possible are termed as assets.
- 10 A list or schedule of balances, both debit and credit, extracted from the accounts in the ledger and including cash book balances is called _____
- 11 Accounting designed for use in the operational needs of the business is termed as accounting.
- 12 The statistical yardstick that provides a measure of the relationship between two accounting figures is known as _____

(12 x $\frac{1}{4}$ = 3 weightage)

Part B

*Answer all questions in one or two sentences.
Each question carries a weight of 1.*

- 13 Define the term "financial statements".
- 14 What is a Balance Sheet ?
- 15 What is Cash Flow Statement ?
- 16 What is a Master Budget ?
- 17 Define Standard Costing.
- 18 What do you understand by *P/V* ratio ?
- 19 What is stock turnover ratio ?
- 20 What is Common size Balance Sheet ?
- 21 What do you mean by funds from operations ?

(9 x 1 = 9 weightage)

Part C (Short Essays)

*Answer any five questions.
Each question carries a weight of 2.*

- 22 What do you understand by an account ? Explain the nature of different kinds of accounts.
- 23 Write a note on Comparative Financial Statements.
- 24 Distinguish between Funds Flow Statements and Balance Sheet.
- 25 Explain the limitations of ratio analysis.
- 26 A factory manufacturing sewing machines has the capacity to produce 500 machines per annum. The marginal (variable) cost of each machine is Rs. 200 and each machine is sold for Rs. 250. Fixed overheads are Rs. 12,000 per annum. Calculate the break-even points for output and sales and show what profit will result if output is 90 % of capacity.

- 27 The standard material required to manufacture one unit of product X is 10 kg. and the standard price per kg. of material is Rs. 2.50. The cost accounts records, however, reveal that 11,500 kg. of materials costing Rs. 27,600 were used for manufacturing 1000 units of product X. Calculate material variances.
- 28 From the following information, prepare a statement of sources and application of funds for the year ended 31 March 1998 :
- Increase in working capital during the year Rs. 4,000.
 - Net profit for the year ending 31st March 1998, Rs. 10,750.
 - Depreciation of Fixed Asset charged to Profit and Loss Account Rs. 1,750.
 - Dividend paid in 1997-98 Rs. 3,500.
 - Rs. 5,000 share capital was issued for cash.
 - Machinery was purchased for cash Rs. 10,000.

(5 x 2 = 10 weightage)

Part D (Long Essays)

*Answer any two questions.
Each question carries a weight of 4.*

- 29 The expenses for budgeted production of 10,000 units in a factory are furnished below :

	<i>Per Unit (Rs.)</i>
Material	70
Labour	25
Variable Overhead	20
Fixed Overhead (Rs. 1,00,000)	10
Variable Expenses (Direct)	5
Selling Expenses (10 % Fixed)	13
Distribution expenses (20 % Fixed)	7
Administration expenses (Rs. 50,000)	5
Total cost per unit (to make and sell) ...	155

Prepare a budget for production of :

- (a) 8,000 units ; (b) 6,000 units ; and (c) indicate cost per unit at both the levels.

Assume that administration expenses are fixed for all levels of production.

- 30 The following are the Balance of **Shri Hari** as on 30 June, 1995 :

<i>Debit Balances</i>			<i>Credit Balances</i>	
	Rs.			Rs.
Cash in hand	540	Sales		98,780
Cash at Bank	... 2,630	Returns outwards ...		500
Purchase	40,675	Capital	... 62,000	
Investments	10,000	Sundry Creditors	... 6,300	

Turn over

Patents	7,500	Rent	9,000
Salaries	15,000		
Returns Inwards	680		
Wages	8,480		
Fuel and Power	4,730		
Carriage on sales	3,200		
Carriage on purchases	2,040		
Stock (1st July 1994)	5,760		
Buildings	22,000		
Freehold land	10,000		
Machinery	20,000		
General Expenses	3,000		
Insurance	600		
Drawings	5,245		
Sundry Debtors	14,500		

Taking into account the following adjustments prepare the Trading and Profit and Loss Account and Balance Sheet as on 30th June 1995 :

- (a) Stock on hand on 30th June, 1995 is Rs. 6,800.
- (b) Machinery is to be depreciated at the rate of 10 % and Patents at the rate of 20 %.
- (c) Salaries for the month of June, 1995 amounting to Rs. 1,500 were unpaid.
- (d) insurance includes a premium of Rs. 170 on a policy expiring on 31st December, 1995.
- (e) Bad Debts are Rs. 725.
- (f) Rent received in Advance Rs. 1,000.
- (g) Interest on Investment of Rs. 2,000 is accrued.

31 Discuss the basic accounting concepts.

(2 x 4 = 8 weightage)