

**C.S.J.M. University, Kanpur**  
**B.C.A. Second Semester Examination - 2018**  
**Financial Accounting & Management (BCA 109)**  
**Section—A (Short Answer Type Questions)**

Note : Attempt all questions. Each question carries 3 marks.

1. Explain the following :
  - (A) Purpose of Accounting Information
  - (B) Revenue nature items
  - (C) Provision for doubtful debts
  - (D) Fund flow statement
  - (E) Objectives of financial management
  - (F) Application of computer in Accounting
  - (G) Owned capital and Borrowed capital
  - (H) Economic Order Quantity
  - (I) Cost of debts

**Section—B (Long Answer Type Questions)**

Note : Attempt any two questions. Each question carries 12 marks.

2. Explain the following :
  - (a) Cost concept
  - (b) Dual Aspect concept
  - (c) Revenue Recognition concept
  - (d) Accounting period concept
  - (e) Consistency convention
  - (f) Conservation convention.
3. The Balance Sheet of ABC Ltd. as on 31st March, 2017 was as follows :
 

| Liabilities               | Amount<br>(₹) | Assets       | Amount<br>(₹) |
|---------------------------|---------------|--------------|---------------|
| Share Capital             | 6,00,000      | Goodwill     | 3,00,000      |
| Surplus                   | 1,00,000      | Plant        | 6,00,000      |
| Debentures                | 3,00,000      | Stock        | 1,00,000      |
| Creditors                 | 80,000        | Debtors      | 80,000        |
| B/P                       | 70,000        | Cash         | 70,000        |
| Other Current Liabilities | 50,000        | Misc. Assets | 50,000        |

|                    |           |            |
|--------------------|-----------|------------|
|                    | 12,00,000 | 12,00,000  |
|                    | 4,19,0300 | 4,19,300   |
| Sales for the year |           | ₹ 10,0000  |
| Cost of Sales      |           | ₹ 6,80,000 |

You are required to calculate :

- (i) Current ratio
- (ii) Quick ratio
- (iii) Inventory turnover ratio
- (iv) Average collection period
- (v) Proprietor's liabilities ratio.

4. The trial Balance of a business as at 31st March, 2016 is given below :

| Particulars                                  | Amount<br>(Dr.) (₹) | Particulars    | Amount   |
|--|---------------------|----------------|----------|
| (Cr.) (₹)                                    |                     |                |          |
| Opening Stock                                | 25,0000             | Sales          | 2,27,800 |
| Cash in hand                                 | 2,500               | Commission     | 500      |
| Furniture                                    | 8,000               | Return outward | 1,000    |
| Plant and Machinery                          | 1,40,000            | Creditors      | 40,000   |
| Additions to Plant and Machinery (1-10-2015) | 10,0000             | Capital        | 1,50,000 |
| Debtors                                      | 30,000              |                |          |
| Wages  | 12,000              |                |          |
| Salaries                                     | 20,000              |                |          |
| Bad debts                                    | 1,000               |                |          |
| Purchase                                     | 1,20,000            |                |          |
| Electricity charges                          | 1,200               |                |          |
| Telephone charges                            | 2,400               |                |          |
| General Expenses                             | 3,000               |                |          |
| Postage                                      | 1,800               |                |          |
| Return Inward                                | 900                 |                |          |
| Insurance Premium                            | 1,500               |                |          |
| Cash at Bank                                 | 40,000              |                |          |
|  | 4,19,300            |                | 4,19,300 |

Prepare the Trading and Profit & Loss Account for the ended year 31st March, 2016 and Balance Sheet as on that date taking into account the following adjustments :

- (i) Closing Stock values ₹ 7,000
  - (ii) Outstanding wages ₹ 600 and Salaries ₹ 1,400.
  - (iii) Depreciation is to be provided @ 5% on all fixed assets.
  - (iv) Insurance premium paid in advance ₹ 200.
5. Analyse the following transactions. State the nature of accounts and state which account will be debited and which will be credited according to the traditional approach :

- (i) Dinesh started Business with cash ₹ 2,00,000.
- (ii) Purchase furniture for cash ₹ 50,000.
- (iii) Purchase goods from Mahesh ₹ 30,000
- (iv) Sold good to Shyam on credit ₹ 50,000
- (v) Deposited cash into Bank ₹ 50,000 for opening an account
- (vi) Withdraw cash for personal use ₹ 8,000.
- (vii) Paid Mahesh by cheque ₹ 10,000.
- (viii) Withdrew cash from Bank for office use ₹ 10,000.
- (ix) Paid Salary ₹ 20,000.
- (x) Paid Interest on loan ₹ 5,000
- (xi) Borrowed from Mahesh ₹ 1,00,000
- (xii) Deposited cash ₹ 50,000 directly to Business Bank A/c.

**Section—C**

**(Long Answer Type Questions)**

**Note :** Attempt any two questions. Each question carries 12 marks.

- 6. What is meant by Capitalization ? Explain the causes and consequences of overcapitalization and undercapitalization.
- 7. What do you understand by Receivable Management ? How is it important for a company ? Explain the factors affecting the size of receivables.
- 8. What do you mean by Working Capital ? Describe those factors which influence the composition of working capital.
- 9. Write notes the following :
  - (a) Capital Gearing
  - (b) Debentures
  - (c) Cost of Capital
  - (d) Object of Cash Management