

5. (b) The following is the trial balance of Mr. XYZ on 31st March 2014

Particulars	Dr. Amount	Cr. Amount
Cash in hand	10,800	-
Cash in bank	52,600	-
Purchases	8,13,500	-
Sales	-	19,75,600
Return inward	13600	
Return Outward	-	10,000
Wages	1,69,600	-
Fuel and Power	94,600	-
Carriage on sales	64,000	-
Carriage on purchases	40,800	
Opening stock	1,15,200	
Building	6,40,000	
Freehold Land	2,00,000	
Machinery	4,00,000	
Salaries	3,00,000	
Patents	1,50,000	
General Expenses	60,000	
Insurance	12,000	
Capital	-	14,20,000
Drawing	1,04,900	
Sundry Debtor	2,90,000	
Sundry Creditor	-	1,26,000
Total	35,31,600	35,31,600

Talking into account the following adjustments prepare Trading and Profit & Loss Account and the Balance Sheet:

- (i) Stock in hand on 31st March 2014 is Rs.1,36,000
- (ii) Machinery is to be depreciated @10% and patents @20%
- (iii) Salary outstanding for the month of March 2014 is Rs. 30,000
- (iv) Prepaid insurance for was Rs.1,700

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Roll No.....

204(N)

B.C.A. (Second Semester) Exam.-2014

Paper: Fourth

Financial Accounting and Management

Time: Three Hours] [Maximum Marks: 100

Note: Attempt two questions from Section A, any seven questions from Section B and Section C is compulsory.

Section-A

1. (a) State weather each of the following is True or False. (5x1=5)
 - (i) Capital is that part of wealth which is invested in the business for further production
 - (ii) Maximization of wealth is the basic objective of financial management
 - (iii) Cost of management means the rate of interest at which capital has been collected.
 - (iv) Gross working capital refers to the capital invested in the total assets of an enterprise
 - (v) The basic objective of cash management is to meet payment schedule.

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(b) Classify the following accounts according to their types: Asset, Liability, Capital, Revenue, Expenses. **(0.5x8=4)**

- (i) Prepaid rent
- (ii) Proprietor's drawing
- (iii) Advances from Customers
- (iv) Debtors
- (v) Dividend received
- (vi) Income Tax
- (vii) Depreciation
- (viii) Debentures

2. (a) From the following data calculate Inventory turnover ratio. **(9)**

Cost of goods sold	Rs.3,00,000
Purchases	Rs.3,30,000
Opening stock	Rs. 60,000

(b) From the following data calculate Working Capital Turnover Ratio.

Cash in hand	Rs. 5,50,000
Cash in bank	Rs. 3,50,000
Cash sales	Rs.20,00,000
Credit sales	Rs.10,50,000
Current Liabilities	Rs. 3,00,000
Return inward	Rs. 50,000

3. What do you understand by Receivable Management? How is it important for a company? Explain the factors affecting the size of receivables. **(9)**

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Section-B

4. Explain briefly (50-75 words) any seven of the following: **(6x7=42)**

- (i) External Users of Accounting Information
- (ii) Accounting Conventions
- (iii) Capital Expenditure and Revenue Expenditure.
- (iv) Break-even analysis
- (v) Profit Maximization and wealth Maximization
- (vi) Long term sources of finance
- (vii) Cost of capital
- (viii) Components of working capital
- (ix) Five objectives of holding inventory
- (x) Transaction motive and speculative motive of holding cash.

Section-C

5. (a) Journalize the following transactions with proper narration **(3+12=15)**

Year 2003	Transactions	Rs.
Dec.1	Started business with cash	50,000
Dec.2	Goods purchased for cash	30,000
Dec.3	Furniture purchased for cash	5,000
Dec.4	Sold goods to Naresh	8,000
Dec.22	Discount of Rs. 400 allowed to Naresh and in full settlement Cash received	7,600
Dec.28	Salary paid	1,950

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