

Roll No.

BCA-204(N)

B. C. A. (Second Semester) EXAMINATION, May/June, 2015

(New Course)

Paper Fourth

FINANCIAL ACCOUNTING AND MANAGEMENT

Time : Three Hours]

[Maximum Marks : 75

Note : Attempt questions from all Sections as directed.

Section—A

(Short Answer Type Questions)

Note : Attempt all questions.

1. (A) Distinguish between Financial Accounting and Management Accounting.
- (B) Explain the concept Revenue Expenditure and Deferred Revenue expenditure.
- (C) Importance of fund flow statement to management.
- (D) Objective of financial management.
- (E) Write a note on capital gearing and trading on equity.
- (F) Objectives of working capital management.
- (G) Write a short note on Receivable Management.

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(H) What shall be the amount of capital if cash ₹ 10,000, Fixed assets ₹ 1,20,000, Stock ₹ 60,000 and creditor ₹ 60,000.

(I) Annual requirements of an item of inventory are 4000 units in a factory. Ordering costs are ₹ 10 per order. The price of the item is ₹ 5 per unit and carrying costs are 10% of the rupee value of the item i.e., ₹ 0.50 per unit. Calculate Economic Order Quantity from the above data.

Section—B

12 each

(Long Answer Type Questions)

Note : Attempt any two questions.

- What do you understand by Accounting Concepts ? Explain various accounting concepts.
- From the following Trial Balance of Reliance Traders as at 31 March, 2015, you are required to prepare Trading and Profit & Loss Account and Balance Sheet as at that date.

Particulars	Amount Dr. (₹)	Amount Cr. (₹)
Cash at Bank	8,400	—
Investment	23,800	—
Purchase/ Sales	2,94,000	5,24,300
Building	5,32,000	—
Purchase Return	—	5,600
Sales Return	8,400	—
Furniture	8,400	—

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Carriage Inward	4,200	—
Carriage Outward	3,500	—
Salaries	1,64,220	—
Rent and Taxes	—	2,100
Commission	1,680	5,320
Dividend Received	—	3,500
Wages	2,800	—
Opening Stock	23,800	—
Stationery	2,940	—
Drawings	14,000	—
Trade Expenses	4,200	—
Sundry Debtors	1,54,280	—
Sundry Creditors	—	84,000
Short-term loan	—	23,800
Capital	—	6,02,000
	12,50,620	12,50,620

4. Journalise the following transactions in the book of

Rohit.

March		
2015		₹
1	Started business with Cash	3,50,000
3	Purchased goods for Cash	20,000
4	Deposited in Bank	10,500
5	Withdrew from bank for office use	750

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6	Purchased goods from Ram	80,000
8	Purchase furniture for Cash	35,000
9	Sold goods to Prem	40,000
10	Return inward from Prem	15,000
11	Paid Wages	2,000
12	Paid to Ram and	78,000
	Discount Received	2,000
13	Salary paid by Cheque	250
14	Withdrawn by owner for his personal use	2,000

5. (a) Current liabilities of a company are ₹ 5,32,000. Its current ratio is 4 : 1 and acid test ratio is 2.5 : 1. Calculate the value of current assets, liquid assets and stock.

(b) Find out the total current assets and total current liabilities with the help of the following information :

Current Ratio = 4 : 1

Liquid Ratio = 2 : 1

Stock (Inventory) = ₹ 50,120

Section—C

12 each

(Long Answer Type Questions)

Note : Attempt any two questions.

6. What are the various sources of long-term finance to a firm ?

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7. Define working capital. Discuss the factors determining the size of working capital.
8. What do you mean by cash Management ? Explain the principal motives for holding Cash by a business firm.
9. Write short note on the following :
 - (i) Inventory Management
 - (ii) Internal users of Accounting Information
 - (iii) Overcapitalization and undercapitalization
 - (iv) Explicit and implicit cost

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3,000

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