

Roll No.

BCA-204(N)

B. C. A. (Second Semester) EXAMINATION, May, 2013

(New Course)

Paper Fourth

FINANCIAL ACCOUNTING AND MANAGEMENT

Time : Three Hours]

[Maximum Marks : 75

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

Section—A

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1. Define financial accounting. State its objectives. Explain users of financial statements.
2. What is cash management ? What are the objectives of cash management ? Explain the principal motives for holding cash.
3. (a) From the following data of XYZ Ltd, calculate current ratio :

Liquid Assets	₹ 37,500
Stock	₹ 10,000
Prepaid expenses	₹ 2,500
Working capital	₹ 30,000

[2]

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(b) From the following Information, calculate net profit Ratio :

Total Sales	₹ 99,000
Return Inward	₹ 5,000
Cost of Sales	₹ 60,000
Indirect Expenses	₹ 20,000

Section—B

4. Explain briefly (50-75 words each) any seven of the following :

- Rules of debit and credit
- Capital receipts and revenue receipts
- Accounting standard
- Preference shares and equity shares
- Cost of Capital
- Overcapitalization and undercapitalization
- Factors influence working capital needs of organization.
- Operating cycle of working capital
- Cost of Maintaining Receivables
- Accounting period concept, cost concept, conservatism convention, materiality convention.

Section—C

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5. (a) Enter the following transactions in to Journal of Ramesh :

2013		
Jan 1	Started business with cash	₹ 80,000
Jan 3	Purchased furniture for cash	₹ 30,000
Jan 5	Cash received from Meera ₹ 48,500 in full and final settlement of	₹ 50,000
Jan 6	Sold goods for cash	₹ 70,000
Jan 7	Received commission	₹ 2,000

[3]

(b) The following are the balances as on March 31, 2013 extracted from the books of Avtar Singh :

Bills payable	₹ 4,000
Outstanding Expenses	1,000
Sales ✓	1,00,000
Purchases	70,000
Return inward	1,500
Return outward	2,300
Opening stock	18,000
Carriage	3,000
Rent and Rates	4,500
Discount allowed	2,000
Discount received	1,000
Printing	1,500
Insurance	2,200
Postage and Internet	400
Miscellaneous expenses	700
Bad Debts	1,000
Debtors	30,000
Creditors	33,000
Wages	8,000
Drawings	4,000
Capital	60,000
Building	45,000
Furniture	2,500
Cash in hand	7,000
Closing Stock	25,000

You are required to prepare Trading Account and Profit & Loss account for the year ending March 31, 2013 and also the Balance sheet as on that date.

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