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**DHANALAKSHMI SRINIVASAN COLLEGE  
OF ARTS & SCIENCE FOR WOMEN  
(AUTONOMOUS)**

(For Candidates admitted from 2020 - 2021 onwards)



**PG DEGREE EXAMINATIONS APRIL - 2021  
M.C.A – COMPUTER APPLICATIONS  
ACCOUNTING AND FINANCIAL MANAGEMENT**

**Time: 3 Hrs**

**Max.Marks: 75**

**PART - A**

**CHOOSE THE CORRECT ANSWER**

**(10X1=10)**

1. The main purpose of Financial Accounting is
  - a) Organize financial informations
  - b) Provide useful financial informations to outsiders
  - c) Keep track of company expenses
  - d) Minimise company tax.
2. Depreciation is charged on
  - a) Current Assets
  - b) Fixed Tangible Assets
  - c) Both Current Assets and Fixed Assets
  - d) None of these
3. Why does a Business prepare a Trial Balance?
  - a) To calculate the Profit & Loss
  - b) To check the Cash and Bank Balance
  - c) To check the Arithmetical Accuracy of the Ledgers
  - d) To show the Financial Position
4. Final Account include preparation of
  - a) Trading A/c
  - b) Profit & Loss A/c
  - c) Balance Sheet
  - d) All of the above
5. Analysis of any Financial Statement comprises
  - a) Balance Sheet
  - b) Profit & Loss A/c
  - c) Trading A/c
  - d) All of the above
6. Current Assets include
  - a) Inventories
  - b) Trade Receivables
  - c) Cash and Cash Equivalents
  - d) All of the above
7. Total of all Direct Costs is termed as
  - a) Prime Cost
  - b) Works Cost
  - c) Cost of Sales
  - d) Cost of Production
8. Profit Volume Ratio may be improved by
  - a) Increasing sale price
  - b) Lowering variable cost
  - c) Lowering fixed cost
  - d) Maintains BEP level
9. Budgetary Control system acts as a friend, philosopher and guide to
  - a) Management
  - b) Shareholders
  - c) Creditors
  - d) Employees
10. A flexible budget requires careful study and classification of Expenses into
  - a) Past and Current expenses
  - b) Fixed, Semi-variable and Variable expenses
  - c) Administrative, Selling and Factory expenses
  - d) Production and Sales expenses

**PART- B\**

**ANSWER ALL THE QUESTIONS**

**(5X7=35)**

11. a) Define Accounting. Explain the advantages of Accounting. \

**(OR)**

b) A company purchased a plant for Rs.50,000. The useful life of the plant is 10 years and the residual value is Rs.10,000. Find out rate of depreciation under the Straight Line Method.

12. a) Journalise the transactions and post them in the ledger of Mr.Ajay

i) Mr.A commenced business with capital of	Rs.60,000
ii) Purchased Furniture for cash	Rs.4,000
iii) Purchased goods from Balu	Rs.40,000
iv) Sold goods for cash	Rs.24,000
v) Paid rent by cheque	Rs.10,000

**(OR)**

b) Prepare Trial Balance

Capital	Rs.9,000	Rent outstanding	Rs.1,000
Plant & Machinery	Rs.12,000	Opening Stock	Rs.2,000
Purchases	Rs.8,000	Sales Returns	Rs.4,000
Sales	Rs.12,000	Investments	Rs.14,000
Creditors	Rs.8,000	Debtors	Rs.12,000

13. a) Explain the various tools used for Financial Statement Analysis.

**(OR)**

b) Find out (i) Current Assets (ii) Current Liabilities

(iii) Liquid Assets (iv) Stock

Current Ratio 2.5      Liquid Ratio 1.5

Working capital Rs.90,000

14. a) Explain the various Techniques of Cost Accounting.

**(OR)**

b) From the following information, find out (1) P.V. Ratio (2) Break-Even Point

(3) Profit (4) Margin of Safety

Total Fixed Costs	Rs. 4,500
Total Variable Costs	Rs. 7,500
Total Sales	Rs. 15,000

(5) Also Calculate the Volume of Sales to earn a Profit of Rs.6,000.

15. a) Explain the different types of Functional Budgets.

**(OR)**

b) Prepare a Cash Budget for the Months of April, May and June 2015.

Months	Credit Sales(Rs.)	Purchases(Rs.)	Wages(Rs.)
February	1,80,000	1,24,800	12,000
March	1,92,000	1,44,000	14,000
April	1,08,000	2,43,000	11,000
May	1,74,000	2,46,000	10,000
June	1,26,000	2,68,000	15,000

i) 50% of credit sales are realised in the month following the sales and the remaining 50% in the second month following.

ii) Creditors are paid in the month following the month of purchase.

iii) Cash at Bank on 1-4-2015 estimated Rs.25,000.

### PART-C

#### ANSWER ANY THREE QUESTIONS

(3X10=30)

16. Explain the various Accounting Concepts.

17. From the following Trial Balance extracted from the books of Arjun, prepare Trading, Profit & Loss A/c and Balance Sheet for the year ended 31.12.2018.

Debit Balances	Rs.	Credit Balances	Rs.
Cash at Bank	2,610	Creditors	4,700
Book Debts	11,070	Discounts	150
Salaries	4,950	Creditors for expenses	400
Carriage inwards	1,450	Return outwards	2,520
Carriage outwards	1,590	Sales	80,410
Bad Debts	1,310	Capital	40,000
Office Expenses	5,100		
Purchases	67,350		
Return inwards	1,590		
Furniture & Fixtures	1,500		
Stock	14,360		
Insurance	3,300		
Depreciation on property	1,200		
Freehold Property	10,800		
	1,28,180		1,28,180

Adjustments:

- (i) Make provision for doubtful debts at 5%.
- (ii) Calculate discount on Creditors at 2%.
- (iii) Office expenses include Stationery Purchased Rs.800
- (iv) Carriage inwards includes carriage paid on Purchase of Furniture Rs.50
- (v) Outstanding Salaries Rs.150.
- (vi) Prepaid Insurance Rs.300
- (vii) Stock on hand Rs.10,700 (including Stationery stock Rs.200).

18. From the following informations, prepare a Balance Sheet.

1. Working capital	Rs.75,000
2. Reserves and Surplus	Rs.1,00,000
3. Bank overdraft	Rs.60,000
4. Current Ratio	1.75
5. Liquid Ratio	1.15
6. Fixed Assets to Proprietors' Funds	0.75
7. Long-term Liabilities	Nil.

19. Prepare a Cost Sheet from the following data.

Number of units manufactured during the month	1,000
Direct materials consumed	Rs.20,000
Direct labour	Rs.8,000
Indirect labour (in Factory)	Rs. 2,500
Supervision costs ( in Factory)	Rs.1,000
Factory Rent	Rs.1,600
Factory Lighting	Rs.600
Oil for Machines	Rs. 100
Depreciation of Machines	Rs.500
Office Overheads	Rs.8,000
Office Salaries	Rs.2,000
Miscellaneous office expenses	Rs.1,000
Selling and Distribution expenses	Rs.6,000

A profit margin of 20% on the total cost of goods is expected on the sale of an unit.

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

	Per unit( Rs.)
Material	70
Labour	25
Variable Overheads	20
Fixed Overheads (Rs.1,00,000)	10
Variable Expenses (Direct)	5
Selling Expenses ( 10% Fixed)	13
Distribution Expenses ( 20% Fixed)	7
Administration Expenses (Fixed)	5
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Total Cost per unit	155
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Prepare a Flexible Budget for the production of:

a) 8,000 units

b) 6,000 units

c) Indicate cost per unit at all the levels.