



BAM-2302 Seat No. _____

M. Sc. (CA & IT) (Sem. II) Examination

April/May – 2014

202 - Financial Accounting & Management

Time : 3 Hours]

[Total Marks : 70

1 (a) Fill in the blanks : 4

- (i) Drawing account has a _____ balance and capital account has a _____ balance.
- (ii) Journal is a book of _____ while a ledger is the _____.
- (iii) Assets = _____ + _____
- (iv) Goodwill Account is a _____ account.

(b) Explain following terms : 8

- (i) Capital
- (ii) Liabilites
- (iii) Goods
- (iv) Debtors

2 Journalize the following transactions of Aryan Patel for the month of April 2013.

2013

April 1 Building Rs. 1,00,000, machinery Rs. 50,000, stock Rs. 1,50,000 cash at bank Rs. 20,000, cash on hand Rs. 10,000 due from Virali Rs. 10,000, due to Rimpa Rs. 5,000, 8% loan from Manisha Rs. 50,000.

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[Contd....

- 3 Withdrawn from bank and paid salary
Rs. 5,000
- 7 Bought diaries and pen for
advertisement from Disha Advertising
Ltd. Rs. 2,000 on credit.
- 10 Paid telephone bill Rs. 1,000 by cheque.
- 20 Paid for repairs of furniture Rs. 700
- 25 Drawn amount for personal use of
Rs. 1,200
- 27 Cash sales Rs. 10,000 amount deposited
into bank
- 30 Paid by cheque interest on loan for
3 months

OR

- 2 (a) Write short notes on : (any two) **8**
- (i) Purchase return book.
 - (ii) Branches of Accounting
 - (iii) Final Accounts
- (b) Which group of people would be interested **4**
in accounting reports and why ?

3 From the following, calculate the following ratios : **12**

- (i) Gross Profit Ratio
- (ii) Stock turnover ratio
- (iii) Liquid ratio
- (iv) Debtors ratio (assuming 360 working days in a year)
- (v) Operating ratio

Income Statement for the year ended 31-3-2012

Particulars		
Sales		6,50,000
Less : Cost of goods sold		
Opening Stock	65,000	
Add : Purchases	3,57,500	
	4,22,500	
Less : Closing Stock	97,500	3,25,000
Gross Profit		3,25,000
Less : Operating Expenses		
Administrative expenses	1,00,000	
Financial Expenses	60,000	
Selling Expenses	35,000	1,95,000
	Net Profit	1,30,000

Balance Sheet as on 31.3.2012

Liabilities	Rs.	Assets	Rs.
Capital	7,00,000	Land and	
Reserve and		Building	2,60,000
Surplus	80,000	Plant and	
Creditors	2,00,000	Machineries	3,90,000
Bank Overdraft	30,000	Stock	97,500
Bills Payable	30,000	Debtors	1,00,000
		Bills Receivable	78,750
		Cash and Bank	1,13,750
	10,40,000		10,40,000

OR

- 3 (a) What are "Accounting Ratios" ? Discuss their utility and limitations. 8
- (b) Explain any two of the following ratios. 4
- (1) Gross Profit Ratio
 - (2) Liquid ratio
 - (3) Debtors ratio

- 4 The following is the Trial Balance of Dev Ltd. as 12 on 31-3-2013 is under :

Particulars	Debit	Credit
	Rs.	Rs.
Opening stock	34,000	-
Capital	-	2,00,000
Creditors	-	1,11,200
Purchases	1,92,200	
Sales	-	3,44,000
Wages	14,800	-
Rent-		4,800
Carriage Inward	10,800	-
Carriage outward	4,000	-
Salary	12,000	-
Building	1,60,000	-
Furniture	9,200	-
Depreciation on Furniture	1,000	-
Debtors	1,62,000	-
Insurance Premium	3,200	-
Printing and Stationery	5,000	-
Sundry Expenses	8,800	-
Repairs	2,000	-
Cash on hand	25,000	-
Drawing	16,000	-
	6,60,000	6,60,000

Adjustments :

- (1) Value of closing stock was Rs. 15,200
- (2) Rs. 2,400 was outstanding for salaries.
- (3) Depreciate building by 5%
- (4) Insurance paid in advance Rs. 200
- (5) Building rent received in advance was Rs. 600.
- (6) Credit purchase of Rs. 1400 was not recorded in the book of account.

Prepare Final Accounts from the given information.

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|----------|---|----------|
| 5 | (a) Discuss procedure on preparing the sales budget. | 4 |
| | (b) State the advantages of Budgetary control. | 3 |
| | (c) What is master budget ? Explain the steps in preparing the master budget. | 5 |

OR

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| 5 | (a) Discuss the advantages of marginal costing. | 4 |
| | (b) The following information is supplied in respect of a factory. | 8 |
| | Output 70,000 units | |
| | Fixed cost Rs. 1,80,000 | |
| | Variable cost per unit Rs. 5 | |
| | Selling price per unit Rs. 8 | |
| | (i) What should be output and sales at break-even point ? | |
| | (ii) If the selling price is reduced to Rs. 7 per unit, how many units should be produced to yield the same amount of profit as at present ? | |

6 Write short notes : (any two)

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- (i) Accounting cycle in Tally
 - (ii) Tally accounting features
 - (iii) Account groups in Tally
 - (iv) Tally First-screen.
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