

(20518)

Roll No

BCA-II Sem.

18009

B. C. A Examination, May 2018

Financial Accounting & Management

(BCA-205)

(New)

Time : Three Hours]

[Maximum Marks : 75

Note : Attempt questions from all Sections as per instructions.

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Section-A

(Very Short Answer Questions)

Attempt all the *five* questions. Each question carries 3 marks. Very short answer is required not exceeding 75 words.

$3 \times 5 = 15$

1. What is 'going concern concept' of Accounting ?
2. Draw a 'balance sheet' with imaginary figures.

(2)

3. What do you mean by 'break-even point' ?
4. How the working capital is calculated ?
5. Explain the term 'point of indifference'.

Section-B

(Short Answer Questions)

Attempt any *two* questions out of the following three questions. Each question carries $7\frac{1}{2}$ marks.

Short answer is required not exceeding 200 words.

$$7\frac{1}{2} \times 2 = 15$$

6. What is 'double entry system' of Accounting ? Give the rules of debit and credit.
7. What is 'receivables management' ? What are its objectives ?
8. A company has issued 1,000 equity shares of ₹ 100 each, as fully paid-up. It has earned a profit of ₹ 10,000 after tax. The market price of these shares is ₹ 160 per share. Find out the cost of equity capital before and after tax, assuming a tax rate of 50%.

(3)

Section-C

(Detailed Answer Questions)

Attempt any *three* questions out of the following five questions. Each question carries 15 marks.

Answer is required in detail.

$$15 \times 3 = 45$$

9. What is capitalization ? Is it different from capital structure ?
10. Write a detailed note on 'Application of Computer in Accounting'.
11. "Finance is the life of industry." Elucidate this statement with suitable examples.
12. Calculate the economic order quantity from the following information and also state the number of orders to be placed in a year :
Consumption of materials per annum = 10,000 kgs.
Cost of placing per order = ₹ 25
Cost of material per kg. = ₹ 2
Storage cost (on average inventory) = 4%

(4)

13. Balance Sheets of M/s A & B as on 1st Jan., 2016 and 31st Dec. 2016 were as follows :

Balance Sheet

Liabilities	1.1.16 ₹	31.12.16 ₹	Assets	1.1.16 ₹	31.12.16 ₹
Creditors	40,000	44,000	Cash	10,000	7,000
Mrs. A's Loan	25,000	—	Debtors	30,000	50,000
Loan from			Stock	35,000	25,000
Bank	40,000	50,000	Machines	80,000	55,000
Capital	1,25,000	1,53,000	Land	40,000	50,000
			Buildings	35,000	60,000
	2,30,000	2,47,000		2,30,000	2,47,000

During the year, machines costing ₹ 10,000 (accumulated depreciation ₹ 3,000) was sold for ₹ 5,000. The provision for depreciation against machinery as on 1.1.16 was ₹ 25,000 and on 31.12.16 ₹ 40,000. Net profit for the year 2016 amounted to ₹ 45,000.

You are required to prepare :

- A statement of change in working capital
- A funds flow statement.