

NRT/KS/19/5518

Bachelor of Commerce (Computer Application) (B.C.C.A.) Semester—I Examination
FINANCIAL ACCOUNTING
Compulsory Paper—2

Time : Three Hours]

[Maximum Marks : 80

- N.B. :—** (1) **ALL** questions are compulsory.
(2) Draw well labelled diagrams wherever necessary.

PART—A

- N.B. :—** (1) Each question carries **2** marks.
(2) Answer should not be in more than **5** lines.

1. (a) What is Financial Accounting ?
(b) What are International Financial Reporting Standards ?
(c) Explain Nominal Account.
(d) What is Error of Omission ?
(e) Define Bonds.
(f) Define the term fund flow.
(g) Define EPS.
(h) What is lean Accounting ?

8×2=16

PART—B

- N.B. :—** (1) Each question carries **3** marks.
(2) Answer should not be in more than **10** lines.

2. (a) State three Golden Rules of Accounting.
(b) What do you mean by Financial Statement ?
(c) What do you mean by Double Entry System ?
(d) Write importance of Bank Reconciliation Statement.
(e) What do you mean by Cash Flow Statement ?
(f) What do you mean by Buy Back of Shares.
(g) What is Transfer Pricing ?
(h) Explain Profitability Ratio.

8×3=24

PART—C

- N.B. :—** Answer should not be in more than **400** words for **5** marks questions and **600** words for **10** marks questions respectively.

3. (a) State the Generally Accepted Accounting Principles. 5
(b) Distinguish between Capital and Revenue expenditure with examples. 5

OR

- (c) Explain various accounting concepts in detail. 10

4. (a) Journalize the following transactions in the books of Jimmy Inland :
- (1) Commenced business with cash in hand Rs. 18,000, Balance with Bank Rs. 10,000 and Furniture worth Rs. 7,000.
 - (2) Borrowed Rs. 50,000 from Joe's.
 - (3) Purchased goods (food) worth Rs. 2,00,000 from Khandala Traders.
 - (4) Half of the furniture is sold for Rs. 4,000.
 - (5) Paid rent to landlord Rs. 1,000. 5
- (b) Rectify the following errors :
- (1) A sale of old furniture of Rs. 4,000 has been credited to sales account.
 - (2) Purchase of furniture for Rs. 4,000 has been debited to purchase account.
 - (3) Rs. 3,000 paid to Jeevan has been debited to Ram.
 - (4) Purchase of goods Rs. 7,250 from Mamta has been entered in purchase book as Rs. 2,750.
 - (5) Rent of Rs. 10,000 paid to landlord account. 5

OR

- (c) From the understated Trial Balance of M/s Pooja Bros. as on 31st March 2008, prepare Manufacturing A/c, Trading and P & L A/c :

| Dr. | Rs. | Cr. | Rs. |
|--------------------|-----------------|---------------------|-----------------|
| Wages | 2,000 | Sales | 80,000 |
| Stock (R.M.) | 1,000 | Commission Received | 1,500 |
| Purchase | 16,000 | Capital | 1,55,000 |
| Carriage Inward | 2,000 | Dividend Received | 1,500 |
| Repairs | 5,000 | | |
| Salaries—Factory | 6,000 | | |
| Salaries—General | 3,000 | | |
| Rates & Taxes | 1,000 | | |
| Traveling Expenses | 1,500 | | |
| Bad debts | 2,500 | | |
| General Expenses | 2,500 | | |
| Insurance—General | 1,400 | | |
| Carriage Outward | 1,600 | | |
| Various Assets | 1,90,500 | | |
| Stock (F. Goods) | 2,000 | | |
| | <u>2,38,000</u> | | <u>2,38,000</u> |

Adjustments :

- (1) The closing stock was as follows :
 - Raw Material — Rs. 4,000
 - Work in progress — Rs. 12,000
 - Finished goods — Rs. 6,000
- (2) Outstanding Salaries (Factory) Rs. 100 and Salaries—General Rs. 300. 10

5. (a) Use FIFO on the following information to calculate the value of ending Inventory and the cost of goods sold of March :

March

| | | | |
|----|---------------|----------------|---|
| 1 | Opening Stock | 60 units @ 15 | |
| 5 | Purchase | 140 units @ 15 | |
| 14 | Issue | 190 units | |
| 27 | Purchase | 70 units @ 16 | |
| 29 | Issue | 30 units | 5 |

- (b) XYZ Ltd. has an issued capital of Rs. 50,000 in Equity shares of Rs. 10 each, Rs. 8 per share called up with an exception of one shareholder who failed to pay of call a Rs. 3 per share on his 250 shares. The shares were forfeited.

Pass Journal Entry for forfeited shares only. 5

OR

- (c) From the summary Cash A/c of Kanchan Ltd. prepare Cash Flow Statement :

| Particular | Amount | Particular | Amount |
|---------------------------|--------|----------------------------|--------|
| Balance on 1st April 2007 | 200 | Payments to Suppliers | 4,000 |
| Issue of Equity Shares | 500 | Purchase of fixed assets | 500 |
| Receipts from customers | 5,500 | Overhead Expenses | 300 |
| Sale of fixed assets | 300 | Wages & Salaries | 300 |
| | | Taxation | 600 |
| | | Dividend | 100 |
| | | Repayment of Bank Loan | 400 |
| | | Balance on 31st March 2008 | 300 |
| | 6,500 | | 6,500 |

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6. (a) Explain the term Foreign Currency Accounting. 5
- (b) Explain various types of environmental cost. 5

OR

- (c) **Trading A/c**
for the year ended 31st March 2005

| Particular | Amount Rs. | Particular | Amount Rs. |
|-----------------------|---------------|------------------|---------------|
| To Opening Stock | 2,00,000 | By Sales | 17,00,000 |
| To Purchases | 10,00,000 | By Closing Stock | 2,98,000 |
| To Wages | 90,500 | | |
| To Incidental charges | 27,500 | | |
| To Gross Profit | 6,80,000 | | |
| | 19,98,000 | | 19,98,000 |

Profit & Loss A/c
for the year ended 31st March 2005

| Particulars | Amount Rs. | Particulars | Amount Rs. |
|---|-----------------------|-----------------------------|-----------------------|
| To Office Expenses | 3,00,000 | By Gross Profit | 6,80,000 |
| To Finance Expenses | 30,000 | By Dividend Received | 12,000 |
| To Selling and Distribution Expenses | 60,000 | By Profit on sale of shares | 6,000 |
| To Loss on sale of Assets | 8,000 | | |
| To Net Profit | 3,00,000 | | |
| | <u>6,98,000</u> | | <u>6,98,000</u> |

Compute the following ratio after taking into consideration the above Trading and Profit and Loss A/c :

- (1) Gross Profit Ratio
- (2) Net Profit Ratio
- (3) Operating Ratio
- (4) Opening Profit Ratio
- (5) Stock Turnover Ratio.

10