

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 diagram wherever necessary.

PART—A

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

1. (i) What is separate entity concept ?
- (ii) What is International Financial Reporting Standard ?
- (iii) What is error of commission ?
- (iv) Explain subsidiary book.
- (v) Explain the concept of fund.
- (vi) Explain the term 'Buyback of Shares'.
- (vii) Explain Acid Test Ratio.
- (viii) What do you mean by human resource accounting ?

8×2=16

PART—B

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

2. (i) What is capital and revenue receipt ?
- (ii) What do you mean by financial segments ?
- (iii) Explain the term depreciation.
- (iv) What do you mean by Trial Balance ?
- (v) What is perpetual inventory system ?
- (vi) What is an IPO ?
- (vii) What do you mean by Working Capital ?
- (viii) What do you mean by joint venture ?

8×3=24

PART—C

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

3. (a) Write short note on 'Accounting as an Information System'. 5
- (b) What do you mean by auditing ? Explain its advantages. 5

OR

- (c) Write in short the 'Indian Accounting Standard'. 10

4. (a) Write a note on straight line method.

5

(b) Pass Journal entries to rectify the following errors :—

- (1) A sum of Rs. 12,000 paid to Subhash was debited to Suresh.
- (2) Repairs of a machine amounting to Rs. 1,745 were debited to machinery account.
- (3) Received interest Rs. 500, posted to loan account.
- (4) Carriage outward Rs. 100 was posted to carriage inwards account.
- (5) Rs. 1,500 received from Manish have been credited to Malhotra.

5

OR

(c) M/s Archana Enterprises had a current account with the Indian Bank. Their pass book showed a balance of Rs. 20,534 as on 30th June 2011. Taking into account the following, prepare a bank reconciliation statement to find out the Balance as per the Cash Book :

- (1) Cheques amounting to Rs. 15,000 issued to their creditors were not presented for payment.
- (2) Cheques received from Mr. Jagdish for Rs. 6,890 was sent to Bank for collection on 29th June; it was collected on 2nd July, 2011.
- (3) The Bank had credited the Pass Book for Rs. 650 being the amount of dividend collected. The intimation of the same was sent on 3rd July, 2011.
- (4) Under the standing instruction the Bank made the payment of Insurance Premium of Rs. 570 on behalf of the company. No corresponding entry was found in the cash book.
- (5) Cheque of Rs. 340 received from Banerjee was entered twice in the cash book. The cheque was collected on 28th June, 2011.

10

5. (a) From the information given below calculate Cash Flow from financing activities :

	2017	2018
	Rs.	Rs.
Equity Share Capital	2,00,000	3,00,000
8% Debentures	1,00,000	50,000
Securities Premium	20,000	30,000
Bank Loan (Long Term)	—	1,00,000
Additional Information		

Interest paid on debentures Rs. 8,000.

5

(b) From the following information of 'X' Co. you are required to value Cost of materials issued and ending inventory by FIFO method :

Materials Purchased

Date 2005	Units	Rate Rs.
Jan. 5	200	20
Jan. 15	400	30
Jan. 25	200	40

Material Issued

Date	Units
Jan. 16	100
Jan. 20	300
Jan. 26	200
Jan. 28	50

5

OR

- (c) ABC Ltd. having an authorised capital of Rs. 4,00,000 divided into 40,000, Equity Shares of Rs. 10 each issued 30,000, Equity shares for Public subscription. All the shares issued were applied for. The amounts were called as under :

Application Money	2 per share
Allotment Money	4 per share
First call	2.50 per share
Final call	1.50 per share

All the amounts were received except the following :—

Mr. Ram holding 200 shares did not pay first and final calls.

Mr. Ganesh holding 300 shares did not pay final call.

Mr. Varun who holds 100 shares paid first and final calls amount alongwith allotment.

Pass necessary journal entries in the books of the ABC Ltd. 10

6. (a) Differentiate between horizontal analysis and vertical analysis. 5
- (b) Explain different accounts for investments. 5

OR

- (c) The following information is given about M/s S.P. Ltd. for the year ending Dec. 31, 2017 :

Stock turnover ratio 6 times

Gross profit ratio 20% on sales

Sales for 2017 = 3,00,000

Closing stock is Rs. 10,000 more than the Opening Stock

Opening creditors 20,000

Closing creditors 30,000

Trade debtors at the end 60,000

Net Working Capital 50,000

Find out :

- (1) Average Stock
- (2) Purchases
- (3) Creditors turnover ratio
- (4) Average Payment Period. 10