PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

MCA DEGREE EXAMINATION DECEMBER 2018
(Second Semester)

Branch - **COMPUTER APPLICATIONS**

FINANCIAL & MANAGEMENT ACCOUNTING

l ime: Three Hours   Maximum: 75 Marks

SECTION -A (30 Marks)
Answer **ALL** questions
ALL questions carry **EQUAL** Marks (5 x 6 = 30)

1   a State the three basic rues of recording transactions in the books of account.

OR

   b What are the advantages of Double Entry System?

2   a Distinguish between Journal and Ledger.

OR

   b From the following mentioned balances extracted from the books of a trader on 31-3-2015, prepare a trial balance.
       Capital - Rs.   2,00,000;   Sundry Debtors - Rs. . 1,00,000-
   Purchases - Rs. . 2,40,000; Wages - Rs. 32,000; sales - Rs. 4,00.400; Furniture — Rs. 30,000;   Bills receivables - Rs.   40,000; Salaries - Rs. 40,00.0; Bills payable - Rs.   44,000;   Cash in hand - Rs.   2,400; Stock (opening) - Rs.   70,000; Sundry creditors - Rs. 48,000; .Plant - Rs. 1,20,000; Bad debts reserve - Rs. 2,000; Rent - Rs. 20,000.

3   a Prepare a Trading account for the year ended 31-12-2016 :
       Opening stock — Rs. 5,700; Purchase returns - Rs. 900; Sales returns - Rs. 600; Wages - Rs. 2,000; Purchases - Rs. . 1,58,000; Sales - Rs. 2,62,000; Closing stock - Rs. 8,800,

OR

   b Prepare a profit and loss account from the following extracted from the trial balance of Mr. Sri for the year ending 31-12-2015 :
       Salary - Rs. 4,000; Insurance - Rs. 2,000; Advertisement - Rs. 1,400; Office Rent - Rs. 1,000; Salesmen's Salary - Rs. 3,200; Carriage Inwards - Rs. . 800; Printing and stationary - Rs. 1,200; Discount allowed-Rs. 400; bad debts - Rs. 1,200; Telephone Charges Rs. 1,100; Trade Expenses - Rs. 900;   Gross profit - Rs. 22,000;   Rent received-Rs. 1,000

4   a Explain the objectives of management accounting.

OR

   b The following information relating to M/s Sasidharan & Co. is given :
       Cost of goods sold   Rs.. 4,50,000
       Opening stock   Rs.. 1,75,000
       Closing stock   Rs.1,25,000
       Calculate Inventory Turnover Ratio.

5   a The sales turnover and profits during two periods are under :
       Period : Sales Rs. 20 lakhs ; Profit Rs. 2 lakhs
       PeriodTI : Sales Rs. 30 lakhs; Profit Rs. 4 lakhs
       Calculate P/V Ratio.

OR

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5   b Cont...

Stock position : 1st January 2015 (% of January 2008 sales) - 50%
Stock position : 31st March 2015   - 40, 000 units
Stock position : End of January & February - 50%
(% of subsequent Month's sales)
You are required to prepare production budget for the first quarter of 2015.

SECTION -B (45 Marks)
Answer any **THREE** questions
ALL questions carry **EQUAL** Marks (3 x 1 5 = 45)

6   Differentiate Double Entry System from Single Entry System.

7   Journalise the following transactions :

2015		Rs.
Aug 1	Started business with	4,50,000
Aug 3	Goods purchased	70,000
Aug 5	Goods sold	51,000
Aug 10	Goods purchased from Samy	2,00,000
Aug 16	Goods returned to Samy	5,000
Aug 23	Drew, from bank	30,000
Aug 26	Furniture purchased	10,000
Aug 27	Settled Samy account	
Aug 31	Salary paid	12,000

8   Prepare Trading and Profit and Loss account for the year ended 31-12-2016
and Balance Sheet on that date :
Stock - Rs. 15,000; Purchases - Rs. 13,000; sales - Rs. 30.000;
Carriage inwards - Rs. 200; Salaries - Rs. 5,000; Stationary - Rs. 800;
Drawings - Rs. 1,700; Creditors - Rs. 2,000; Debtors - Rs. 18,000;
Furniture - Rs.   1,000; Capital - Rs. 25.000; postage - Rs. 750;
Interest paid - Rs. 550; Machinery - Rs. 3,5000; Cash - Rs. 500;
Loan-Rs. 3,000.
Adjustments : Stock on 31-12-2016 was Rs . 12,000.

9   Net Annual Credit Sales   Rs. . 75,000
Total Debtors   Rs. . 18,000
Bills Receivable   Rs. . 6,000
Find out (i) debtors turnover ratio (ii) Average Collection Period.

10   From the following data, you are required to calculate :
i) P/V ratio
ii) Break Even Sales with the help of P/V ratio.
iii) Sales required to earn a profit of Rs. . 4,50,000.

Fixed expenses	Rs . 90,000
Variable Cost per unit :	
Direct material	Rs. 5
Direct Labour	Rs. 2
Direct overheads	100%of Direct labour
Selling price per unit .	Rs.12