

Reg. No. :

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M.C.A. (CBCS) DEGREE EXAMINATION,
APRIL 2023.

Second Semester

Computer Application – Core

FINANCIAL AND MANAGEMENT ACCOUNTING

(For those who joined in July 2021 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. Financial Accounting provides accounting information to the _____ though the information is useful for Internal Purposes also.
 - (a) External users
 - (b) Internal users
 - (c) Company
 - (d) Competitors

2. The account that records expenses, gains and losses is
- (a) Personal Account (b) Real Account
(c) Nominal Account (d) None of the above
3. The following is a statement of revenues and expenses for a specific period of time.
- (a) Trading Account
(b) Trial Balance
(c) Profit and loss statements
(d) Balance sheet
4. Balance sheets are prepared
- (a) Daily (b) Weekly
(c) Monthly (d) Annually
5. A higher inventory ratio indicates
- (a) Better inventory management
(b) Quick turnover
(c) Both (a) and (b)
(d) None of the above

6. Uses of funds include a(an)
- (a) Decrease in cash
(b) Increase in fixed assets
(c) Increase in any liability
(d) Tax Refund
7. What is BEP in Marginal Costing?
- (a) Bank Entry Pass
(b) Break Entity Point
(c) Break Entity Profit
(d) Break Even Point
8. The P/V ratio will be equal to
- (a) The profits by sales ratio
(b) The profits by the contribution ratio
(c) The profits by the sales and variable cost
(d) The contribution by the sales ratio
9. The basic standard with in the standard costing process is established for _____.
- (a) A long period
(b) The current period
(c) An indefinite period
(d) The short period

10. Sales budget is a _____.

- (a) Functional budget
- (b) Financial budget
- (c) Master budget
- (d) None of the above

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).

11. (a) Describe the advantages of Journal.

Or

(b) Prepare a sale book from the following transactions:

1982		Rs.
Jan 1	Sold goods to Sen	400
Jan 3	Sold goods to Ramesh	250
Jan 11	Sold goods to Roy	800
Jan 13	Sold goods to Ram	300

12. (a) Explain the objectives of preparing a Trial Balance.

Or

(b) From the Information given below prepare trading account.

	Rs.
Opening stock	1,00,000
Purchases	1,50,000
Purchase Returns	25,000
Direct expenses	10,000
Carriage inwards	5,000
Sales	4,00,000
Closing stock	50,000

13. (a) Bring out the limitations of Ratio Analysis.

Or

(b) Calculate funds from operation

	31/3/93	31/3/94
	Rs.	Rs.
Balance of profit and loss a/c	1,00,000	1,50,000

Additional Information	Rs.
(i) Depreciation charged on assets	10,000
(ii) Preliminary expenses written off	5,000
(iii) Amount transferred to General Reserve	15,000
(iv) A machine of book value Rs. 60,000 sold for	65,000
(v) Interim dividend paid	10,000

14. (a) Explain the scope of costing.

Or

(b) From the following data calculate

- (i) P/V ratio
- (ii) Variable cost
- (iii) Profit

	Rs.
Sales	80,000
Fixed expenses	15,000
Break even point	50,000

15. (a) Write a short notes on

- (i) Material mix variance.
- (ii) Material yield variance.

Or

(b) With the following data for 60% activity prepare a budget at 80% activity

Production at 60% capacity -	600 units
Materials	Rs. 100 per unit
Labour	Rs. 40 per unit
Direct expenses	Rs. 10 per unit
Factory expenses	Rs. 40,000 (40% fixed)
Administration expenses	Rs. 30,000 (60% fixed)

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PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).

16. (a) Explain various Accounting concepts briefly.

Or

(b) Journalise the following transactions.

1999	1	Capital paid in to Bank	10,000
March			
	1	Paid rent for the month	600
	2	Paid cash for office stationary	60
	3	Bought goods for cash	4,200
	5	Sold goods for cash	1,500
	6	Bought office furniture from Babu Bros	1,000
	13	Withdrew cash from bank	3,000
	18	Drew cash for personal use	6,000

17. (a) What are the guidelines to locate errors when trial balance is not tallied?

Or

(b) Prepare trading and profit and loss account from the information given below

	Rs.		Rs.
Opening stock	3,600	Rent (factory)	400
Purchases	18,260	Rent (office)	500

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	Rs.		Rs.
Wages	3,620	Sales returns	700
Closing stock	4,420	Purchase returns	900
Sales	32,000	General expenses	900
Carriage on purchases	500	Discount to customers	360
Carriage on sales	400	Interest from bank	20

18. (a) Bring out the advantages and types of Ratio Analysis.

Or

(b) From the following two balance sheets you are required to prepare a statement of Sources and Applications of funds.

Balance sheet

Liabilities	2004	2005	Assets	2004	2005
	Rs.	Rs.		Rs.	Rs.
Share capital	40,000	45,000	Cash	30,000	47,000
Trade creditors	10,000	23,000	Debtors	1,20,000	1,15,000
P and L A/c	2,30,000	2,50,000	Stock in trade	80,000	90,000
			Land	50,000	66,000
	<u>2,80,000</u>	<u>3,18,000</u>		<u>2,80,000</u>	<u>3,18,000</u>

19. (a) Explain the different kinds of Break Even Charts.

Or

(b) (i) Calculate break even point from the following

Sales 1000 units at Rs. 10 each Rs. 10,000

Variable cost – Rs. 6 per unit

Fixed cost – Rs. 8,000.

(ii) If the selling price is reduced to Rs. 9, what is the new break even point?

20. (a) Explain the merits and demerits of standard costing.

Or

(b) The expenses budgeted for production of 10000 units in a Factory are furnished below.

	Per Unit (Rs.)
Material	70
Labour	25
Variable overheads	20
Fixed overhead (Rs. 1,00,000)	10
Variable expenses (Direct)	5
Selling expenses (10% fixed)	13

	Per Unit (Rs.)
Distribution expenses (20% fixed)	7
Administration expenses (50,000) (Fixed for all levels)	5
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Total cost per unit	155
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Prepare flexible budget for the production of
(i) 8,000 units. (ii) 6000 units.