

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

Time : Three Hours]

[Total Marks : 80

**N.B. :—** (1) Draw well labelled diagram wherever necessary.

(2) **ALL** questions are compulsory.

**PART—A**

**N.B. :—** (1) Each question carries **2** marks.

(2) Answer should be in not more than **5** lines.

1. What is Cost Accounting ?
2. What is Dividend ?
3. Explain Nominal Accounts.
4. What is Trading Account ?
5. What do you mean by Shares ?
6. State the meaning of Inventory.
7. What do you mean by Working Capital ?
8. Write the meaning of HRA.

$8 \times 2 = 16$

**PART—B**

**N.B. :—** (1) Each question carries **3** marks.

(2) Answer should be in not more than **10** lines.

1. State the difference between Cost and Financial Accounting.
2. Explain format of Balance Sheet.
3. State methods of calculating Depreciation.
4. What do you mean by Fixed Assets ?
5. Explain various types of Company.
6. State the meaning of Bond.
7. Define the term Joint Venture.
8. Explain Profitability Ratio.

$3 \times 8 = 24$

## **PART—C**

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

1. (A) Explain Accounting Conventions. 5
- (B) Explain Indian Government Accounting Standards (IGAS). 5

## **OR**

- (C) State the difference between Capital and Revenue Expenditure, Capital and Revenue Receipts. 10
2. (A) Explain classification of Accounts in detail. 5

(B) Prepare Depreciation Account on the basis of written down value method for five years starting from 2006—07.

1/4/2006 purchased machinery for Rs. 75,000 with a depreciation rate of 10% per annum.

5

## **OR**

(C) Journalise the following transactions :

2000

- 1 Dec. : Ajit started business with cash Rs. 40,000
- 3 Dec. : He paid into Bank Rs. 2,000
- 5 Dec. : He purchased goods for cash Rs. 15,000
- 8 Dec. : He sold goods for cash Rs. 6,000
- 10 Dec. : He purchased furniture and paid by cheque Rs. 5,000
- 12 Dec. : He sold goods to Arvind Rs. 4,000
- 14 Dec. : He purchased goods from Amrit Rs. 10,000
- 15 Dec. : He returned goods to Amrit Rs. 5,000
- 16 Dec. : He received from Arvind Rs. 3,960 in full settlement
- 18 Dec. : He withdrew goods for personal use Rs. 1,000 10

3. (A) Write short note on ‘Issue of Shares’. 5
- (B) What is the difference between Debentures and Bonds ? 5

## **OR**

(C) Following is the Trial Balance of ABC Trading Company as on 31<sup>st</sup> March 2015, prepare Final Accounts :

Particulars	Dr. Rs.	Cr. Rs.
To Opening Stock	95,200	
To Purchases	4,70,000	
To Land & Building	1,80,000	
To Machinery	3,31,200	
To Loose Tools	18,800	
To Furniture	7,200	
To Preliminary Expenses	9,800	
By Sales		6,01,600
By Share Capital		4,00,000
By 6% Debentures		2,00,000
To Cash	1,000	
To 5% Government Bonds	19,700	
To Bills Receivable	7,200	
To Motor	26,000	
To Goodwill	32,000	
To Debtors	41,600	
To Advertisement	5,080	
To Audit Fees	2,000	
By Creditors		61,200
By Reserve Fund		30,000
By Profit and Loss A/c		17,600
By Bank Overdraft		22,360
To Wages	53,800	
To Insurance	9,800	
To General Expenses	8,600	
To Repairs	1,720	
To Interim Dividend (paid on 30 <sup>th</sup> Sept.)	12,000	
	13,32,760	13,32,760

**Adjustments :**

- (i) Closing stock was valued at Rs. 1,08,400.
- (ii) Provide RDD 5% on debtors.
- (iii) Depreciate machinery by 5%, furniture 7.5%, loose tools 10% and motor 20%.
- (iv) Directors have proposed 8% final dividend.

10

4. (A) Write short note on Environmental Accounting. 5  
 (B) Explain the meaning of Financial Statement Analysis. 5

**OR**

- (C) The following is the Trading and Profit & Loss Account of Mercury Ltd. for the year ending on 31<sup>st</sup> Dec. 2014 followed by the Balance Sheet of the company :

**Trading and Profit & Loss A/c**

<b>Particulars</b>	<b>Rs.</b>	<b>Particulars</b>	<b>Rs.</b>
To Opening Stock	5,80,000	By Sales	30,00,000
To Purchases	24,40,000	By Closing Stock	6,20,000
To Gross Profit	6,00,000		
	<b>36,20,000</b>		<b>36,20,000</b>
To General Exp.	3,20,000	By Gross Profit	6,00,000
To Net Profit	2,80,000		
	<b>6,00,000</b>		<b>6,00,000</b>

**Balance Sheet**

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
Share Capital	28,00,000	Fixed Assets	22,00,000
Reserves and Surplus	2,00,000	Stock	6,20,000
Bank Overdraft	1,40,000	Debtors	3,20,000
Creditors	6,00,000	Bank	8,00,000
Profit for the year	2,80,000	Cash	80,000
	<b>40,20,000</b>		<b>40,20,000</b>

On the basis of the above data you are required to calculate the following ratios and interpret them :

- (i) Current Ratio
- (ii) Gross Profit Ratio
- (iii) Quick Ratio
- (iv) Stock Turnover Ratio
- (v) Debtor's Turnover Ratio.

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