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**MCA**  
**(SEM I) THEORY EXAMINATION 2018-19**  
**ACCOUNTING AND FINANCIAL MANAGEMENT**

**Time: 3 Hours****Total Marks: 70****Note: 1.** Attempt all Sections. If require any missing data; then choose suitably.**SECTION A****1. Attempt all questions in brief.****2 x 7 = 14**

- a. What is accounting? State accounting equation.
- b. What are the advantages and disadvantages of manufacturing account?
- c. Discuss solvency ratio.
- d. Explain the rules of journalizing an account.
- e. Define accounting standards in brief.
- f. What do you mean by ledger?
- g. Who are different users of accounting?

**SECTION B****2. Attempt any three of the following:****7 x 3 = 21**

- a. From the following Ledger balances prepare a Trial Balance:

Purchase	1,04,000	Drawings	7,950
Sundry Debtors	18,550	Sundry Creditors	8,300
Premises	62,000	Sales Return	5,360
Sales	1,49,000	Furniture	15,600
Purchase Return	8,900	Cash in hand	390
Rates and Taxes	780	Capital	85,000
Cash at Bank	1,560	Factory Wages	5,830
Carriage Inwards	650	Carriage outward	260
Salaries	25,000	Rent Received	2,990
Opening Stock	25,000	Insurance	2,100
Bad Debts	260		

- b. Differentiate Book Keeping and Accounting. Discuss double entry system and also explain its advantages and disadvantages.
- c. What is the need of accounting Concepts and conventions? Discuss various Accounting Concepts.
- d. What do you understand by Ratio Analysis? Discuss its importance and limitations in Business.
- e. Differentiate tangible and intangible Assets with suitable examples.

**SECTION C****3. Attempt any one part of the following:****7 x 1 = 7**

- (a) What is the purpose of Balance Sheet? Present a format of Balance Sheet with imaginary figures.
- (b) Discuss convention of Consistency and Conservatism with merits and demerits.

**4. Attempt any one part of the following:****7 x 1 = 7**

- (a) Define Capital & Revenue expenditure with suitable example.

- (b) Explain different types of accounts with their properties and applications.
- 5. Attempt any one part of the following: 7 x 1 = 7**
- (a) Discuss Cash flow Statement. Also define cash from various activities. Present its format also.
- (b) Prepare Accounting Equation from the following transactions:
1. Mr. Sumit commenced business with cash Rs. 1,00,000
  2. Good purchased from ramesh for Rs. 14,500 on credit.
  3. Goods sold to satish for Rs. 10,000 on credit.
  4. Interest paid Rs. 5,000
  5. Furniture Purchased for Rs. 10,000.

- 6. Attempt any one part of the following: 7 x 1 = 7**
- (a) What do you understand by funds flow statement? Present the schedule of changes in working capital, Adjusted P&L account and funds flow statement.
- (b) On 1<sup>st</sup> January, 2012, Hindustan Ltd. Purchased a machine for Rs 5, 00,000. On 1<sup>st</sup> July, 2012, an additional machinery costing Rs. 3, 00,000 was purchased. On 1<sup>st</sup> July, 2014 the machine purchased on January 1, 2012 was sold for Rs. 3, 70,000. Show the Machinery account for the first three calendar years after changing depreciation at 10% by Straight Line Method.

- 7. Attempt any one part of the following: 7 x 1 = 7**
- (a) Define accounting, its objectives & limitations.
- (b) Prepare Trading and Profit and Loss Account and the Balance Sheet.

Particulars	Debit Balance Rs.	Credit Balance Rs.
Cash in Hand	1,090	
Cash at bank	5,160	
Purchases	78,450	
Sales		1,97,560
Returns Inward	1,360	
Returns Outward		1,000
Wages	19,960	
Fuel and Power	9,460	
Carriage on Sales	6,400	
Carriage on Purchases	4,080	
Stock(1 <sup>st</sup> January, 2011)	11,510	
Building	60,000	
Free hold Land	20,000	
Machinery	40,000	
Salaries	30,000	
Patents	15,000	
General Expenses	6,000	
Capital		1,42,000
Drawings	15,490	
Sundry Debtors	29,000	
Sundry Creditors		12,400
	3,52,960	3,52,960

Adjustments:

1. Stock on hand on 31<sup>st</sup> December,2011 is Rs.13600
2. Outstanding salaries Rs. 5000
3. Depreciation on Machinery @ 10%
4. Reserve for doubtful Debits on Debtors @ 10%