

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.
(For candidates admitted during the academic year 2004-2005 & thereafter)

SUBJECT CODE : **CM/AC/FT23**

B.C.A. DEGREE EXAMINATION APRIL 2007
SECOND SEMESTER

COURSE : **ALLIED – CORE**
PAPER : **FINANCIAL ACCOUNTING & TOOLS FOR FINANCIAL
STATEMENT ANALYSIS**
TIME : **3 HOURS** **MAX. MARKS : 100**

SECTION - A

ANSWER ALL QUESTIONS: (10 x 3 = 30)

1. What is Journal? Give an example.
2. What is a Bank Reconciliation statement?
3. What is the purpose of preparing Fund Flow Statement.
4. State two limitations of Ratio analysis.
5. Differentiate between Income & Expenditure Account and Receipts & Payments Account.
6. Find out the balance in the capital account from the following information.
Debit Balances; Stock Rs.90,000; Furniture Rs.35,000; Buildings Rs.1,25,000;
Cash Rs.60,000; Debtors Rs.75,000; Credit Balances; Outstanding Rent Rs.2,500;
Sundry creditors Rs.30,000.
7. From the following particulars prepare a bank reconciliation statement as on 31/12/05.
 - i) Balance as per cash book Rs.11,600.
 - ii) Cheques issued but not presented for payment Rs.4,000.
 - iii) Cheques sent for collection but not collected upto 31/12/05 Rs.3,000.
8. Calculate debtors turnover ratio from the following details:
Debtors balance Rs.16,000.
Total sales Rs.60,000.
Cash sales Rs.20,000.
9. From the following prepare the common size balance sheet.
Balance sheet as on 31/12/02.

	Rs.		Rs.
Equity share capital	1,75,000	Plant & machinery	2,12,140
Reserves	55,000	Current assets	1,69,500
Long term loan	35,000		
Current liabilities	1,16,640		
	<u>3,81,640</u>		<u>3,81,640</u>

10. Find out cash from operations from the following data: Net profit for the year Rs.27,050.

Depreciation charged Rs.10,000
 Goodwill written off Rs.2,000
 Gain on sale of Buildings Rs.8,000.

SECTION - B

ANSWER ANY FIVE QUESTIONS:

(5 x 8 = 40)

11. What are accounting concepts. Explain any four accounting concepts in detail.
12. Enter the following in a three column cash book.

2005		Rs.
Jan 1	Cash in hand	410
	Balance at bank	8,920
2	Cash sales	4,500
3	Paid in the bank	4,000
5	Purchased stationery	100
8	Paid mahesh by cheque	280
	Discount received	20
12	Gave a cheque for purchases	1,500
15	Drew for personal use	500
18	Received from Suresh, a cheque for Rs.1,970 in full settlement for Rs.2,000 and deposited it in bank	
20	Drew from Bank	1000
21	Paid wages	800
25	Bank returned cheque of suresh dishonoured	
31	Bank changes as per pass book	10

13. From the following prepare necessary subsidiary books:

August 1	Bought goods from Dinesh Rs.11,200
2	Sold goods to David Rs.8,700
2	Bought goods from Batil Rs.11,350
3	Sold goods and Peepawala Rs.1,950
5	Returned goods to Batil Rs.880
8	Peepawala returned goods Rs.220
11	Sold goods to Ahmed Rs.2,800
15	Ahmed returned goods Rs.420.

14. From the following receipts and payments a/c prepare an income and expenditure a/c.

2006 Jan'1		Rs.			Rs.
To balanced b/d	7,700		By charities		10,500
To donations	8,000		By salaries		4,450
To subscriptions	4,000		By purchase of furniture		750

To interest on investments	9,500	By investments	5,000
To sale of old furniture (Book value Rs.100)	<u>75</u>	By balance c/d	8,515
	<u>29,275</u>		<u>29,275</u>

One half of donations is to be treated as income. Rs.450 were owing for salaries. Interest on investment Rs.500 had accrued but was not received.

15. Calculate a) Current Ratio b) Debt – Equity Ratio c) Liquid Ratio
d) Fixed Asset Ratio.

	Rs.		Rs.
5000 shares of Rs.50 each	2,50,000	Buildings	5,50,000
1000 8% pref. Shares	1,00,000	Stock	1,20,000
2000 9% Debentures	2,00,000	Debtors	1,27,500
Reserves	1,50,000	Prepaid expenses	2,500
Creditors	75,000		
Bank overdraft	<u>25,000</u>		
	<u>8,00,000</u>		<u>8,00,000</u>

16. From the following particulars ascertain the bank balance as per pass book of Kalpana as at 31/3/2006.

- Credit balance as per cash book on 31/3/2006 was Rs.1,500.
- Interest charged by the bank upto 31/3/2006 Rs.50 is recorded in the pass book.
- Bank charges of Rs.12.50 made by the bank, were also recorded only in the pass book
- Cheques paid into bank of Rs.2,500 but cheques of Rs.1,875 only were cleared and credited by the bankers.
- Two cheques of 750 and Rs.1,500 were issued but out of them only one cheque of Rs.750 was presented for payment upto March 31.
- Dividends on shares Rs.450 were collected by the bankers directly for which Kalpana did not have information.

17. From the following Balance sheet, prepare Cash Flow Statement.

	2002	2003		2002	2003
	Rs.	Rs.		Rs.	Rs.
Share capital	1,00,000	1,50,000	Fixed Assets	1,00,000	1,50,000
Profit & Loss a/c	50,000	80,000	Good will	50,000	40,000
Reserve	30,000	40,000	Stock	30,000	80,000
6% Debentures	50,000	60,000	Debtors	50,000	80,000
Creditors	30,000	40,000	Bills Receivable	30,000	20,000
Bills payable	10,000	15,000	Bank	10,000	15,000
	<u>2,70,000</u>	<u>3,85,000</u>		<u>2,70,000</u>	<u>3,85,000</u>

SECTION - C

ANSWER ANY TWO QUESTIONS:

(2 x 15 = 30)

18. From the following balance sheet, prepare comparative Balance Sheet as on 31/12/2005.

	2002 Rs.	2003 Rs.		2002 Rs.	2003 Rs.
Bill payable	500	750	Cash	1,000	1,400
Creditors	1,500	2,000	Debtors	2,000	4,500
Tax payable	1,000	1,500	Stock	2,000	3,000
6% debentures	1,000	3,000	Buildings	3,000	2,700
10% preference capital	3,000	3,000	Plant	3,000	2,700
Equity capital	4,000	4,000	Furniture	1,000	1,400
Reserves	2,000	2,450	Land	1,000	1,000
	<u>13,000</u>	<u>16,700</u>		<u>13,000</u>	<u>16,700</u>

19. From the following Trail Balance of Shri.Ram prepare the final accounts for the year 2006.

	Dr.(Rs.)	Cr.(Rs.)
Capital		29,000
Drawings	760	
Purchases & sales	8,900	15,000
Returns	280	450
Stock 1.1.2006	1,200	
Wages	800	
Buildings	22,000	
Carriage in	2,000	
Trade Expenses	200	
Advertisement	240	
Interest		350
Taxes & Insurance	130	
Debtors & Creditors	6,500	1,200
Bills Receivable & Payable	1,500	700
Cash at Bank	1,390	
Salaries	800	
	<u>46,700</u>	<u>46,700</u>

Adjustments:

- i) Stock on 31/12/2006 was valued at Rs.1,500.
 ii) Insurance prepaid was Rs.40
 iii) Outstanding salaries Rs.200 and taxes Rs.130.
 iv) Depreciate Buildings at 2% p.a.
20. The following are the summarised profit & loss account and Balance sheet:

	Rs.		Rs.
To Stock	10,000	By Sales	1,00,000
Purchases	55,000	Stock	15,000
Gross profit	50,000		
	<u>1,15,000</u>		<u>1,15,000</u>

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To Administrative expenses	15,000	By Gross profit	50,000
Selling expenses	12,000		
Net profit	<u>23,000</u>		
	<u>50,000</u>		<u>50,000</u>

Balance sheet

	Rs.		Rs.
Capital	1,00,000	Land & Buildings	50,000
Profit & loss	20,000	Plant & Machinery	30,000
Creditors	25,000	Stock	15,000
Bills payable	15,000	Debtors	15,000
		Bills Receivable	12,500
		Cash in hand	17,500
		Furniture	<u>20,000</u>
	<u>1,60,000</u>		<u>1,60,000</u>

Additional Information:

Average Debtors Rs.12,500, average credit purchases Rs.80,000.

Calculate i) three profitability ratios ii) three liquidity ratios iii) three turnover ratios & iv) debt-equity ratio.

21. From the following Balance sheets of X Ltd. make out: i) statement of changes in working capital ii) find flow statement.

	2004	2005		2004	2005
	Rs.	Rs.		Rs.	Rs.
Equity capital	3,00,000	4,00,000	Goodwill	1,15,000	90,000
Pref. Capital	1,50,000	1,00,000	Land	2,00,000	1,70,000
Reserve	40,000	70,000	Plant	80,000	2,00,000
Profit & loss	30,000	48,000	Debtors	1,60,000	2,00,000
Proposed dividend	42,000	50,000	Stock	77,000	1,09,000
Creditors	55,000	83,000	B/R	20,000	30,000
B/P	20,000	16,000	Cash	15,000	10,000
Provision for Taxation	40,000	50,000	Bank	10,000	8,000
	<u>6,77,000</u>	<u>8,17,000</u>		<u>6,77,000</u>	<u>8,17,000</u>

Additional Information: i) Depreciation of Rs.10,000 and Rs.20,000 have been charged on Plant & land respectively in 2005.

ii) A dividend of Rs.20,000 has been paid in 2005.

iii) Income tax of Rs.35,000 has been paid in 2005.

