

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.
(For candidates admitted during the academic year 2011 – 12)

SUBJECT CODE :11CM/AC/FS14

B.C.A. DEGREE EXAMINATION NOVEMBER 2011
FIRST SEMESTER

REG.NO. _____

COURSE : ALLIED – CORE
PAPER : FINANCIAL STATEMENTS & ANALYSIS
TIME : 30 MINUTES **MAX. MARKS : 30**

SECTION – A
[TO BE ANSWERED ON THE QUESTION PAPER ITSELF]

ANSWER ALL QUESTIONS: (30 x 1 = 30)

I Fill in the Blanks :

1. The principle of accountancy, which recognizes the double aspect of a business transaction is known as _____ concept.
2. Under the convention of conservatism, profits are not anticipated and all _____ are provided for.
3. A balance sheet is a statement of what an organization _____ and what it _____.
4. Liquidity is the ability of an organization to meet _____ liabilities out of its current assets.
5. Journal is a book of _____.
6. Debit note provides the basis for preparing _____ Returns book.
7. Total of direct costs is termed as _____.
8. Overheads are a total of _____ costs.
9. An audit fee is a part of _____ overhead.
10. Bad debts written off are a part of _____ overhead.

II State if the following Statements are True or False:

11. Sale of raw material scrap is reduced from works cost.
12. Loss on sale of assets is excluded from cost accounts.
13. Preliminary expenses written off is an administrative overhead .
14. Bank account is a real account.
15. Cash book is both a ledger account and subsidiary book.

16. A contra entry is one which does not require posting to the ledger.
17. Goodwill is a fictitious asset.
18. Balance sheet is a position statement.
19. Money measurement concept takes into account changes in the value of monetary unit.
20. The accounting policies do not differ from enterprise to enterprise.

III Choose the correct answer :

21. Which one of the following is a current asset :
a. Land b. Patents c. Goodwill d. Prepaid expenses
22. Unexpired income as on the balance sheet date is shown as
a. An asset b. a liability c. a revenue d. an expense
23. The excess of current assets over current liabilities is called
a. Net worth b. working capital c. fixed assets d. net profit
24. Information about performance is disclosed by
a. Balance sheet b. cost statement c. profit and loss account d. cash flow statement
25. Which is the accounting concept that requires the practice of crediting closing stock to the trading account :
26. Assets in the balance sheet are shown at cost less depreciation rather than at its replacement cost due to the accounting convention :
a. Going concern b. Matching c. Realisation d. money measurement
27. Goodwill written off is part of
a. Prime cost b. factory overhead c. office overhead d. None of these
28. Cost of sales plus profit is
a. Selling price b. value of finished goods
c. value of goods produced d. cost of goods sold
29. Sale of defectives is reduced from
a. Prime cost b. works cost c. cost of production d. cost of sales
30. The discount column of a triple column cash book records
a. Trade discount b. cash discount c. quantity discount d. seasonal discount

▲▲▲▲▲▲▲▲

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.

(For candidates admitted during the academic year 2011 – 12)

SUBJECT CODE :11CM/AC/FS14

B.C.A. DEGREE EXAMINATION NOVEMBER 2011

FIRST SEMESTER

COURSE : ALLIED – CORE

PAPER : FINANCIAL STATEMENTS & ANALYSIS

TIME : 2 ½ HOURS

MAX. MARKS : 70

SECTION – B

ANSWER ANY FIVE QUESTIONS:

(5 x 8 = 40)

1. The following information has been obtained from the records of Light Ltd. For the period from January to June 2010 :

	January 2010 (Rs.)	June 2010 (Rs.)
Cost of raw materials	30,000	25,000
Cost of work-in-progress	12,000	15,000
Cost of stock of finished goods	60,000	55,000
Transactions during six months are :		
Purchase of raw materials	4,50,000	
Wages	2,30,000	
Factory overheads	92,000	
Administration overheads	30,000	
Selling and distribution overheads	20,000	
Sales	9,00,000	

Prepare a statement of cost and profit.

2. Calculate the following ratios from the information given below :
Gross profit ratio, Stock turnover ratio, Current ratio and Liquid ratio

	Rs.
Sales	25,20,000
Cost of sales	19,20,000
Opening stock	3,00,000
Closing stock	5,00,000
Other current assets	7,60,000
Current liabilities	6,00,000

3. Prepare a Common size Balance Sheet of Zee Ltd.as on 31.12.2010 :

Assets:	Rs.
Building	80,750
Stock	52,000
Sundry debtors	32,000
Cash at bank	12,000
Cash in hand	1,000
Liabilities:	
Capital	1,31,270
Loan	22,680
Sundry creditors	23,800

4. Journalise the following transaction :
- Purchased goods on credit from Akash Rs60,000
 - Paid Rakesh Rs1980 in full settlement of a debt of Rs.2,000
 - Received cash for dividend on shares Rs.400
 - Purchased goods from Mahesh goods worth Rs.50,000, paid half the amount in cash.
5. Record the following transactions in the subsidiary books :
- Jan. 4, 2010, Purchased from M/s Brooke Electronics 20 black and white T.Vs at Rs.5,200 per piece and 10 colour T.Vs at Rs.12,000 per piece.
 - Jan.5,2010, sold to M/s Rainy Ltd. 100 black and white T.Vs at Rs.6,200 per piece and 50 video tapes at Rs.700 per piece.
 - Jan.10, 2010 from M/s Mark Electronics Purchased 12 video tapes @ Rs.600 per piece and 8 tape recorders at Rs.2,500 per piece.
 - Jan. 15, 2010, Purchased from M/s Sleek Ltd. 200 audio cassettes at Rs.25 per piece and 30 toasters at Rs.500 per piece.
 - Jan.16, 2010, sold to M/s Gay Ltd. 100 colour T.Vs at Rs.12,500 per piece.
 - Jan.18, 2010, returned 10 colour T.Vs to M/s Brooke Electronics.
 - Jan.20,2010, returned to M/s Sleek Ltd. 5 defective toasters and 20 audio cassettes.

6. From the following balances extracted from the books of Mr.Reeno for the year ending 31.12.2010, prepare Trading account :

Opening stock	80,000
Purchases	8,60,000
Freight inward	52,000
Wages	24,000
Sales	14,40,000
Purchases returns	10,000
Sales returns	3,16,000
Closing stock	1,00,000
Import duty	30,000
Carriage outwards	10,000
Rent	24,000

7. From the following information, prepare a comparative financial statement :

	2010 Rs.	2011 Rs.
Sales	6,00,000	7,48,000
Cost of sales	4,72,000	5,96,000
Administration expenses	48,000	52,000
Warehousing and transport expenses	9,000	12,000
Selling expenses	23,000	35,000
Debenture interest	10,000	10,000
Depreciation	8,000	9,000

SECTION – C

ANSWER ANY TWO QUESTIONS:

(2 x 15 = 30)

8. From the following trial balance of Sanny Ltd. , prepare final accounts for the year ended December 31,2010 :

Debits	Rs.	Credits	Rs.
Opening stock	30,000	Equity share capital of Rs.100 each	1,00,000
Rent and taxes	6,000	5% Debentures	25,000
Purchases	60,900	Sales	1,75,000
Wages	55,200	Creditors	8,000
Discount	1,500	Bank overdraft	12,000
Fuel	2,570	Discount	2,200
Building	70,000	Transfer fees	100
Carriage inwards	1,175	Returns outward	100
Sundry debtors	20,000		
Good will	28,000		
Plant and machinery	25,000		
Loose tools	6,000		
Advertisement	3,000		
General expenses	4,400		
Bad debts	1,030		
Debenture interest	625		
Miscellaneous expenses	3,000		
Insurance	1,000		
Cash and bank balances	3,000		

Additional information:

- The authorized capital of the company is Rs.2,00,000
 - Stock on December 31, 2010 is Rs.35,000
 - Depreciate plant and machinery at 9% and revalue loose tools at Rs.4,100.
 - Debenture interest has to be provided for 6 months.
 - Provide reserve for bad debts at 2% on sundry debtors.
9. Following are the financial statements of Albert Ltd.

Profit and loss account for the year ended December 31, 2010

Opening stock	80,000	Sales	2,40,000
Purchases	1,20,000	Closing stock	1,00,000
Gross profit	<u>1,40,000</u>		
	3,40,000		<u>3,40,000</u>
Administration expenses	40,000	Gross profit	<u>1,40,000</u>
Selling expenses	30,000		
Net profit	<u>70,000</u>		
	<u>1,40,000</u>		<u>1,40,000</u>

Balance Sheet as on December 31,2010

Equity Share capital	50,000	Plant and Equipment	2,00,000
6% Preference share capital	20,000	Less Depreciation	1,60,000
			<u>40,000</u>
Profit and loss account	44,000	Inventory	1,00,000
5 1/4% Motgage loan	80,000	Debtors	60,000
Bills payable	30,000		

Taxes payable	20,000	Investments	24,000
		Cash	<u>20,000</u>
	<u>2,44,000</u>		<u>2,44,000</u>

You are required to calculate:

- Current ratio
- Acid test ratio
- Debtors turnover
- Inventory turnover
- Earnings per share
- Rate of return on equity share capital

10. Enter the following transactions in the cash book with cash, discount and bank columns :

April 2010

- Balance of cash in hand Rs.400, overdraft at bank Rs.5,000
- Invested further capital Rs.10,000, out of which Rs.6,000 deposited in the bank.
- Sold goods for cash Rs.3,000
- Collected from debtors of last year Rs.8,000, discount allowed Rs.200
- Purchased goods for cash Rs.5,500
- Paid Ram his creditor Rs.2,500, discount allowed by him Rs.65
- Commission paid Rs.530
- Office furniture purchased from Krishna Rs.200
- Rent paid Rs.50
- Electricity charges paid Rs.10
- Drew cheque for personal use Rs.700
- Cash sales Rs.2,500
- Collection from Arul Rs.4,000 deposited in the bank on April 19.
- Drew from the bank for office use Rs.500
- Drew from the bank for salary of the office staff Rs.1,500

11. From the following information, prepare a cost sheet for the month of December 2010:

Stock on hand on December 1,2010	Rs.
Raw materials	25,000
Work-in-progress	8,200
Finished goods	17,300
Purchase of raw materials	21,900
Carriage on purchases	1,100
Sale of finished goods	72,300
Direct wages	17,200
Direct expenses	1,200
Factory overheads	9,100
Administration overheads	3,200
Selling and distribution overheads	4,200
Raw materials consumed	21,800
Works cost for the month(after adjusting	
Work – in- progress)	48,400
Cost of goods sold	53,200



