

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.

(For candidates admitted during the academic year 2015 – 16)

SUBJECT CODE: 15CM/AC/FS15

B.C.A. DEGREE EXAMINATION NOVEMBER 2015

FIRST SEMESTER

COURSE : ALLIED – CORE

PAPER : FINANCIAL STATEMENTS AND ANALYSIS

TIME : 3 HOURS

MAX. MARKS: 100

SECTION – A

ANSWER ALL QUESTIONS:

(10 x 2 = 20)

1. Define Double Entry System.
2. Differentiate between a balance sheet and trial balance.
3. What do you mean by Trend Analysis?
4. What do you mean by Gross Margin?
5. Define Direct Cost.
6. Find out Gross Profit.
  - (a) Opening Stock - Rs.80,000
  - (b) Sales - Rs.11,24,000
  - (c) Purchase - Rs.7,44,000
  - (d) Closing Stock - Rs.1,00,000
7. How do you deal with the following items in a comparative Balance Sheet?

Particulars	31-3-2013	31-3-2014
	Rs.	Rs.
Fixed Assets	40,00,000	50,00,000
Current Assets	10,00,000	9,00,000
Share Capital	5,00,000	6,00,000

8. From the following compute the 'Current Ratio':

	Rs.		Rs.
Sundry Debtors	40,000	Sundry Creditors	20,000
Prepaid Expenses	20,000	Debentures	1,00,000
Short-term Investments	10,000	Inventories	20,000
Loose Tools	5,000	Outstanding Expenses	20,000
Bills Payable	10,000	Bank Overdraft	10,000

9. Calculate **Prime Cost**, From the following details:

Particulars	Amount (Rs.)
Direct Materials	10,000
Direct Labour	4,000
Direct Expenses	500
Factory Expenses	1,500

## 10. Pass Journal Entries

(a) Goods purchased for Cash with 5% Trade Discount	Rs.20,000
(b) Purchased Machinery on credit	Rs.24,500

**SECTION – B****ANSWER ANY FIVE QUESTIONS:****(5 x 8 = 40)**

## 11. Give journal entries for the following transactions.

(a) Business started with cash	-	Rs.2,50,000
(b) Bought goods for cash	-	Rs.25,000
(c) Sold goods for cash	-	Rs.50,000
(d) Cash withdrawn from bank	-	Rs.50,000
(e) Paid Salaries	-	Rs.15,000

## 12. From the following balances prepare trial balance.

	Rs.
Capital	9,000
Plant & Machinery	12,000
Purchases	8,000
Sales	12,000
Sundry Creditors	8,000
Bank Loan	22,000
Rent outstanding	1,000
Opening Stock	2,000
Sales Returns	4,000
Investments	14,000
Debtors	12,000

## 13. Calculate the trend percentages for the following, taking the year 2009 as base year:

	2009	2010	2011	2012	2013
	Rs.	Rs.	Rs.	Rs.	Rs.
Sales	5,00,000	6,00,000	6,50,000	7,00,000	8,00,000
Cost of sales	4,00,000	4,40,000	5,00,000	5,20,000	5,60,000

14. Prepare **Cost Sheet** form the Following Details:

<b>Particulars</b>	<b>Amount (Rs.)</b>
Raw Materials Consumed	80,000
Wages	20,000
Works Expenses are charged at 100% of wages.	
Office Overhead is charged at 25% on works cost	
Selling Overhead at 10 % on works cost.	

15. Anil enterprises present you the following income statement and request you to calculate:

- (1) Expense ratios; (2) Operating profit ratio;  
 (3) Gross profit ratio; (4) Net profit ratio

<b>Income statement</b>			
Particulars	Rs.	Rs.	
Sales	8,60,000		
Less: Sales returns	60,000		
Net sales		8,00,000	
Less Cost of goods sold		<u>3,50,000</u>	
Gross profit		4,50,000	
Non operating incomes:			
Add: Profit on sale of investments		30,000	
Income from investments		20,000	
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		<u>5,00,000</u>	
Less: Operating expenses:			
Administrative expenses	40,000		
Selling expenses	60,000		
Distribution expenses	20,000		
Non operating expenses			
Finance expenses	30,000		
Loss on sale of plant	20,000		
Provision for income tax	<u>30,000</u>	2,00,000	
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Net profit		<u>3,00,000</u>	

16. From the following information prepare a Profit and Loss Account:

	Rs.		Rs.
Gross Profit Transferred	2,70,000	Depreciation on Plant	1,500
Discount Received	5,000	Depreciation on Office Furniture	1,000
Discount Paid	3,000	Bad Debts	200
Salaries Paid	15,000	Stationary	1,500
Rent Paid	5,000	Repairs	1,000
Postage and Telegram	2,000	General Expenses	500
Office Expenses	1,000		

17. Ascertain the **Cost and Selling Price** from the following:

Particulars	Amount (Rs.)
Materials Consumed	6,000
Wages	9,000
<ul style="list-style-type: none"> <li>• Works Expenses are charged at 50% of wages.</li> <li>• Office Overhead on cost at 20% on works cost</li> <li>• Selling on cost at 10 % on works cost.</li> <li>• Profit 20% on Cost.</li> </ul>	

## SECTION – C

ANSWER ANY TWO QUESTIONS:

(2 x 20 = 40)

18. From the following trial balance, prepare trading, profit and loss a/c for the year ended 31.12.2009 and a balance sheet as on that date.

Trial Balance

Particulars	Rs.	Particulars	Rs.
Purchases	11,870	Capital	8,000
Debtors	7,580	Bad Debts Recovered	250
Return Inwards	450	Creditors	1,250
Bank Deposit	2,750	Return Outwards	350
Rent	360	Bank Overdraft	1,570
Salaries	850	Sales	14,690
Travelling Expenses	300	Bills Payable	1,350
Cash	210		
Stock	2,450		
Discount Allowed	40		
Drawings	600		
	27,460		27,460

Adjustments:

- (a) The closing stock on 31.12.2009 was Rs.4,200.  
 (b) Write off Rs.80 as bad debts and create a reserve for bad debts @ 5% on sundry debtors.  
 (c) Three months rent is outstanding.
19. Prepare a Common Size income statement of Vinayaka travels Ltd., for the year ending 31<sup>st</sup> March 2013 and 2014 from the following.

PARTICULARS	2013	2014
Purchases less returns	80,000	1,50,000
Other direct expenses	20,000	50,000
Sales	1,80,000	2,60,000
Office expenses	20,000	25,000
Selling expenses	10,000	15,000
Finance expenses	10,000	8,000
Profit	40,000	12,000

20. From the following information prepare a **cost sheet** for the month of January.

<b>Particulars</b>	<b>Amount (Rs.)</b>
Stock of Raw Materials on 1 <sup>st</sup> Jan	25,000
Stock of Raw Materials on 31 <sup>st</sup> Jan	26,200
Purchase of Raw materials	21,900
Carriage on Purchases	1,100
Sale of Finished Goods	72,300
Direct Wages	17,200
Non-Productive Wages	800
Direct Expenses	1,200
Factory overheads	8,300
Administrative Overheads	3,200
Selling Overheads	4,200

21. From the following information, Calculate the following Ratios:

- Stock turnover ratio
- Fixed assets turnover ratio
- Debtors turnover ratio
- Debt collection period
- Creditors turnover ratio
- Debt payment period
- Gross profit ratio
- Net profit ratio

<b>Items</b>	<b>Rupees in lakhs</b>
Sales	17,874
Sales returns	4
Other income	53
Cost of sales	15,440
Administration and selling expenses	1,843
Depreciation	63
Interest expenses (non operating)	456
Purchases	15,000
Purchase returns	5
Debtors	10,000
Bills receivables	2,000
Creditors	5,000
Bills payable	3,000
Opening stock	4,000
Closing stock	5,000
Fixed assets	5,000

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