

**STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.**  
**(For candidates admitted during the academic year 2015 – 16 and thereafter)**  
**SUBJECT CODE: 15CM/AC/FS15**

**B.C.A. DEGREE EXAMINATION NOVEMBER 2016**  
**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 Book Keeping.
2. Define Accounting.
3. What is Journal?
4. Write a note Business Entity Concept.
5. From the following details of a trader you are required to calculate Gross Profit ratio:

Sales	Rs. 40,000
Sales return	Rs. 400
Opening stock at cost	Rs. 1,300
Closing stock	Rs. 1,800
Total Gross Profit for the years.	Rs. 8,000

6. Ascertain Cost of goods sold from the following:

Opening Stock	– Rs. 17, 000
Closing Stock	– Rs. 18, 000
Purchases	– Rs. 61, 400
Direct Expenses	– Rs. 9, 600
Indirect Expenses	– Rs. 10, 400

7. Define Cost, Costing and Cost Accounting.
8. How does the following items appear in the Comparative balance sheet?

	31.3.07	31.3.08
Fixed Assets	5, 00, 000	6, 00, 000
Current assets	1, 50, 000	3, 00, 000

9. From the following figures calculate the creditors turnover ratio:

Credit purchases	Rs.1, 00, 000
Opening Crs.	Rs.20, 000
Closing Crs.	Rs.10, 000
Opening Bills Payable	Rs. 4, 000
Closing Bills Payable	Rs. 6, 000

10. From the following, calculate the amount of provision for doubtful debts to be debited to P&L A/C:

Opening Provision for doubtful debts	Rs. 2, 400
Closing Sundry Debtors	Rs. 42, 000
Bad debts yet to be written off	Rs. 2, 000
Provide for doubtful debts at 10% on debtors	

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

11. Prepare a Trial Balance from the following :

Capital	9,000	Rent Received	1,000
Machinery	12,000	Opening Stock	2,000
Purchases	8,000	Sales Returns	4,000
Sales	12,000	Investments	14,000
Creditors	8,000	Debtors	12,000
Bank Loan	22,000		

12. Journalise the following:

1. Purchased goods on credit from Anbu Rs.5, 000
2. Goods returned by Babu Rs. 500
3. Sale of a typewriter for Rs.1, 000
4. Withdrew for domestic use Rs.250
5. Paid radha Rs.1, 980 in full settlement of debt of Rs. 2, 000
6. Cheque for Rs.2, 500 received from Charles in settlement of a debt of Rs. 2,750, returned dishonoured.
7. Goods worth Rs.400 given as charity.
8. Goods uninsured worth Rs.1, 500 were destroyed by fire.
9. Received from travelling salesmen Rs. 12, 000 for goods sold by him, after deducting his travelling expenses Rs.500
10. Returned goods to Sujatha Rs.1, 000

13. Given:

Current Ratio	2.5
Acid Test Ratio	1.5
Working Capital	Rs. 1, 65, 000

Calculate: Current Assets, Current Liabilities, Liquid Assets, Stock.

14. Debtors Velocity	3 months
Creditors velocity	2 months
Stock Velocity	8 times
Bills payable	Rs. 4, 000
Bills Receivable	Rs. 10, 000
Total Sales	Rs. 2, 40, 000

The closing stock is Rs. 2, 000 more than opening stock. Gross profit on the above sales is Rs. 40, 000. There are no cash sales and cash purchases and the accounting year consists of 360 working days. Find out Sundry Debtors, Sundry Creditors, Closing Stock.

15. From the following balances as on 31<sup>st</sup> Dec. 2000 of a Public Limited Company, prepare Statement of Profit and Loss for the year ended and Balance Sheet as on that date:

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Stock	33,380	Subscribed &	
Discounts	6,800	Paid-up Capital	50,000
Land	22,000	Sales	1,46,240
Plant & Machinery	10,700	Sundry receipts	200
Purchases	91,900	Creditors	39,532
Furniture	2,750	Provision for Bad Debts	5,300
Debtors	63,600	Discounts (Cr.)	5,904
P&L A/c (Dr.)	5,000	Bank Overdraft	13,823
Carriage	3,800	Customer's deposit	400
Wages	9,000		
Bad Debts	1,800		
Office Expenses	10,275		
Cash	450		

The following adjustments have to be made:

- i. Closing Stock was Rs. 35,460
- ii. Depreciate Plant & Machinery @ 10% and Furniture @ 6%
- iii. Provide 10% for Bad and Doubtful Debts
- iv. Customer's deposit has been forfeited
- v. Proposed Dividend @ 10%
- vi. Provision for taxation – Rs. 7,500
- vii. The Managing Director is entitled to 10% commission on net profits before charging such commission.

16. A company carried forward a balance of Rs.30,000 in the profit and loss account from the year ended 31<sup>st</sup> March 2000. During the year 2001 it made a further profit of Rs.3,00,000.

It was decided that following decisions be carried out:-

- a. Provisions for taxation Rs. 1,50,000
- b. Dividend equalization account Rs.20,000
- c. Dividend on 8% preference shares of Rs.2,00,000
- d. Dividend at 15% on 30000 equity shares of Rs.10 each fully paid
- e. General Reserve Rs.35,000
- f. Corporate dividend tax @ 12% on the dividend

You are required to give profit and loss appropriation account.

17. The following are the extracts from the income statements of Bright Ltd. For the 6 years ending 1999. You are required to calculate Trend Percentages taking 2004 as the base year and give two major conclusions you can draw.

(figures in thousands)

Particulars	2004	2005	2006	2007	2008	2009
Sales	300	340	420	480	520	600
Cost of Goods Sold	180	204	256	287	300	330
Office Expenses	40	42	45	50	55	60
Selling Expenses	20	25	30	40	50	60
Net Profit / Loss	60	69	89	103	115	150

## SECTION – C

ANSWER ANY TWO QUESTIONS:

(2 x 20 = 40)

18. Dhanam & Co. Ltd., furnishes the following Balance Sheets for the years 2007 and 2008.  
Prepare common-size Balance Sheets.

## Balance Sheets

Liabilities	2007	2008	Assets	2007	2008
Share Capital	2,00,000	3,00,000	Buildings	4,00,000	4,00,000
Reserves	6,00,000	7,00,000	Machinery	6,00,000	10,00,000
10% Debentures	2,00,000	3,00,000	Stock	2,00,000	3,00,000
Creditors	3,00,000	5,00,000	Debtors	2,00,000	2,50,000
Bills Payable	1,00,000	80,000	Cash at Bank	1,00,000	50,000
Tax Payable	1,00,000	1,20,000			
	15,00,000	20,00,000		15,00,000	20,00,000

19. A Ltd. Was registered with an authorised capital of Rs. 6,00,000 in equity shares of Rs. 10 each. The following is its Trial Balance on 31<sup>st</sup> March 2008.

## Trial Balance of A Ltd.

Particulars	Debit Balance (Rs.)	Credit Balance (Rs.)
Goodwill	25,000	-
Cash	7,500	-
Bank	39,900	-
Purchases	1,85,000	-
Preliminary expenses	5,000	-
Share Capital	-	4,00,000
12% Debentures	-	3,00,000
P&L A/c (Cr.)	-	33,000
Calls-in-arrears	7,500	-
Premises	3,00,000	-
Plant & Machinery	3,30,000	-
Interim Dividend	39,250	-
Sales	-	4,15,000
Stock (1.4.2007)	75,000	-
Furniture & Fixtures	7,200	-
Sundry Debtors	87,000	-
Wages	84,865	-
General Expenses	6,835	-
Freight & Carriage	13,115	-
Salaries	14,500	-
Directors' Fees	5,725	-
Bad Debts	2,110	-
Debenture Interest Paid	18,000	-
Bills Payable	-	37,000
Sundry Creditors	-	40,000
General Reserve	-	25,000
Provision for Bad Debts	-	3,500
	12,53,500	12,53,500

Prepare Statement of Profit & Loss and Balance Sheet in proper form after making the following adjustments:

- i. Depreciate plant & machinery by 15%
- ii. Write off preliminary expenses
- iii. Provide for 6 months interest on debentures
- iv. Leave bad and doubtful debts provision @ 5% on debtors
- v. Provide for Income Tax @ 50%
- vi. Stock at the end of A.Y was Rs. 95,000
- vii. Provide for Corporate Dividend Tax @ 17%

20. From the following Trial Balance of KUMAR, prepare Trading and Profit & Loss Account for the year ended 31-12-2011 and a Balance Sheet as on that date:

TRIAL BALANCE

Purchases	11,870	Capital	8,000
Debtors	7,580	Bad debts recovered	250
Returns 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		
	<u>27,460</u>		<u>27,460</u>

Adjustments :

- i) The closing stock was valued at Rs.4, 200.
- ii) Three month rent is Outstanding.

21. From the following details make out a proprietor's fund with as many details as possible.

- (a) Current ratio 2.5
- (b) Liquid ratio 1.5
- (c) Proprietary ratio 0.75 (Fixed assets / Proprietor's fund)
- (d) Working capital Rs.60, 000
- (e) Reserves and surplus Rs.40, 000
- (f) Bank overdraft Rs.10, 000
- (g) There is no long-term loan or fictitious assets.

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