

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 2017
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. What is Double entry system?
2. Journalize the following transaction.
Purchased goods on credit from Saravanan Rs. 10,000.
3. What is gross profit?
4. Pass the adjusting entry.
Depreciation charged on machinery Rs. 80,000.
5. What is Trend analysis?
6. Indicate common size of the following items in a common size Income statement.

Particulars	2015	2016
Sales	10,00,000	16,00,000
Cost of Sales	8,00,000	12,00,000
Gross Profit	2,00,000	4,00,000

7. What is Ratio Analysis?
8. Calculate current assets from the following given information:
Current ratio = 2.5
Current liabilities = Rs. 60,000.
9. What is direct cost?
10. Calculate work cost:

	Rs.
Factory expenses	700
Office expenses	300
Selling expenses	900
Material consumed	3,400

SECTION – B

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

11. The following balances are extracted from the books of Ramani. You are required to prepare the Trial balance as on 31.3.2017.

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Purchases	20,000	Miscellaneous income	400
Purchase returns	800	Bills payable	7,000
Sales	30,000	Bill receivable	11,000
Sales returns	1,000	Cash-in-hand	1,800
Capital	30,000	Sundry creditors	4,000
Interest (Dr)	400	Discount earned	800
Wages	7,000	Sundry debtors	15,000
Rent	800	Commission (Dr)	1,000
Telephone charges	1,000	Plant and Machinery	8,000
		Cash at Bank	6,000

12. Pass necessary adjustment entries for the following adjustments:

- (a) Insurance unexpired is Rs. 200.
- (b) Salaries outstanding Rs. 10,000.
- (c) To provide provision for Doubtful Debts at 2% on sundry debtors worth Rs. 20,000.
- (d) Closing Stock Rs. 55,000.
- (e) Interest has accrued on investments Rs. 500.
- (f) Commission received in advance Rs. 1,000.
- (g) To provide 10% interest on capital of Rs. 2,50,000.
- (h) Interest charged on drawings Rs. 520.

13. From the details given below prepare a common size income statement of Jeeva Ltd.

Particulars	Year ending	Year ending
	31.12.2015	31.12.2016
	Rs.	Rs.
Sales	2,00,000	5,00,000
Cost of sales	1,00,000	2,20,000
Operating expenses	20,000	30,000
Non-operating expenses	30,000	35,000

14. From the following details find out

- (a) Current assets (b) Current liabilities
 - (c) Liquid assets (d) Stock
- Current Ratio -2.5; Liquid ratio-1.5;
Working capital Rs.90, 000.

15. The following data relate to manufacturing of a standard product during the month of March 2017:

Raw materials consumed	Rs. 20,000
Direct wages	Rs. 12,000
Machine hours worked	1,000 hours
Machine hour rate	Rs. 2 per hour
Office overheads	20% on works cost
Selling overheads	Re. 0.40 per unit
Units produced	20,000 units
Units sold at Rs. 3 each	18,000 units.

Prepare cost sheet to show:

- (a) Prime cost (b) Work cost (c) Cost of production (d) Cost of production of goods sold
- (e) Cost of sales (f) Profit.

16. Journalise the following transactions in the books of Kumar:

2017

- August 1 Commenced business with Rs. 50,000
- 3 Purchased goods for cash Rs. 10,000
- 4 Paid carriages Rs. 50
- 8 Purchased machinery for cash Rs. 20,000
- 10 Sold goods to Madan on account for Rs. 15,000

17. Calculate gross profit ratio :

	Rs.		Rs.
Sales	2,20,000	Purchases	1,75,000
Sales returns	20,000	Purchases returns	15,000
Opening stock	30,000	Closing stock	40,000

SECTION – C

ANSWER ANY TWO QUESTIONS:

(2 x 20 = 40)

18. Prepare a Trading and Profit and Loss account for the year ending 31st March 2017 and a Balance Sheet as on that date from the following balances:

	Rs.		Rs.
Capital	52,000	Sales	1,01,000
Purchase Returns	1,900	Opening stock	22,000
Furniture and fittings	5,500	Sundry Creditors	6,000
Investments	16,700	Salaries	1,800
Sales returns	5,200	Printing and stationery	240
Sundry debtors	31,000	Purchases	72,000
Rent	560	Carriage Inwards	390
Bad debts	160	Postage and Telegram	210
Traveling expenses	550	Cash at bank	3,270
Wages	1,300	Insurance	220

Adjustments:

- Salaries outstanding Rs. 150
- The Closing stock was Rs. 18,500
- Insurance was prepaid Rs. 30
- Charge 10% depreciation on furniture.

19. Natesan & Co. Ltd., furnishes its balance sheet for the years 1999 and 2000 and requests you to prepare a comparative balance sheet for those years.

Balance Sheets

Liabilities	1999 Rs.	2000 Rs.	Assets	1999 Rs.	2000 Rs.
Equity share capital	80,000	80,000	Land & Buildings	80,000	74,000
8% Debentures	80,000	90,000	Plant & Machinery	60,000	54,000
Retained Earnings	40,000	49,000	Furniture	20,000	28,000
Sundry Creditors	50,000	70,000	Inventory	40,000	60,000
Bills payable	10,000	15,000	Debtors	40,000	80,000
			Cash	20,000	8,000
	2,60,000	3,04,000		2,60,000	3,04,000

20. From the following details prepare statement of proprietary funds with as many details as possible.

- Stock velocity : 6 times
- Capital turnover ratio (on cost of sales) : 2 times
- Fixed assets turnover ratio (on cost of sales) : 4 times
- Gross profit turnover ratio : 20%
- Debtors velocity : 2 months
- Creditors velocity : 73 days

The gross profit was Rs. 60,000. Reserves and Surplus amount to Rs. 20,000. Closing stock was Rs. 5,000 in excess of opening stock.

21. From the following particulars, prepare a cost sheet showing the components of total cost and profit for the year ended 31-12-2016.

Particulars	1.1.2016 Rs.	31.12. 2016 Rs.
Cost of raw materials	30,000	25,000
Cost of work in progress	12,000	15,000
Cost of finished goods	60,000	55,000
Purchase of raw materials		4,50,000
Wages paid		2,30,000
Factory overheads		92,000
Administrative overheads		30,000
Selling and distribution overheads		20,000
Sales		9,00,000
