

Code :06MC105

MCA I Semester Supplementary Examinations, February 2011
ACCOUNTANCY & FINANCIAL MANAGEMENT
 (For students admitted in 2006,2007 & 2008 only)

Time: 3 hours

Max Marks: 60

Answer any FIVE questions
 All questions carry equal marks

1. Explain generally accepted accounting principles.
2. From the following data of Mr. Ganesh for the year ending 30-6-2010, prepare trading, profit & loss account and balance sheet.

	Dr	Cr
	(Rs)	(Rs)
Capital		75000
Sales		420750
Creditors		15000
Provision for bad debts		200
Bills payable		2000
Cash at bank	12500	
Cash in hand	2000	
Coal and Gas	1000	
Opening stock	45000	
Purchases	225000	
Plant	75000	
Trade expenses	10000	
Carriage inwards	2500	
Carriage outwards	1500	
Factory rent	1500	
Discount	350	
Insurance	700	
Debtors	60000	
Office rent	3000	
Printing	600	
General expenses	2800	
Advertising	15000	
Bills receivable	6000	
Drawings	6000	
Salaries	15000	
Wages	20000	
Furniture	7500	
	512950	512950

Adjustments:

1. prepaid insurance Rs 100
 2. closing stock Rs 35000
 3. write of 10% on plant & furniture
 4. increase provision for bad debts to 5%
 5. outstanding office rent Rs 600
3. Profit maximization vs wealth maximization. Explain.
 4. Calculate the current assets from the following information. Stock turnover ratio = 5 times
 Stock at the end is Rs 5000 more than the stock in the beginning
 Sales (all credit) = Rs 2,00,000
 Gross profit ratio = 20%
 Current liabilities = 60,000
 Quick ratio = 0.75
 5. Explain the differences between cost accounting and financial accounting.
 6. What is break-even analysis? State its merits and demerits.
 7. What is budgeting? Explain various types of budgets.
 8. What is the significance of computerized accounting system?
