

Roll No.

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B. C. A. (Part III) EXAMINATION, 2020

Paper Eighth

FINANCIAL MANAGEMENT AND ACCOUNTANCY

Time : Three Hours]

[Maximum Marks : 50

[Minimum Pass Marks : 20

Note : Attempt all the *five* questions. *One* question from each Unit is compulsory. All questions carry equal marks. Only simple calculator is allowed. Scientific calculator is not allowed.

Unit—I

1. Define Accounting. Explain the process of Accounting.

Or

From the following Trial Balance of Shri Rakesh, prepare his Final Accounts for the year ended 31st March, 2018 :

Name of Accounts	Dr. Balance (₹)	Cr. Balance (₹)
Purchase and Sales	62,000	1,20,000
Sales and Purchases return	17,000	16,400
Wages	4,870	—
Salary	8,910	—

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Debtors and Creditors	21,000	47,000
Carriage inwards	1,750	—
Miscellaneous Expenses	980	—
Discount	350	200
Land and Building	57,000	—
Machinery	33,000	—
Cash at Bank	22,020	—
Drawings and Capital Account	17,000	80,000
Unearned Income	—	—
Unearned Income	—	2,500
Closing Stock	20,720	—
Outstanding Expenses	—	500
	2,66,600	2,66,600

Unit—II

2. What is Cost Accounting ? Explain briefly advantages of Cost Accounting.

Or

Following is the Trading and Profit & Loss Account of a firm for the year ended 31st March, 2018 :

Trading and Profit & Loss Account

Particulars	Amount (₹)	Particulars	Amount (₹)
Stock	35,000	Sales	4,00,000
Purchase	2,25,000	Stock at end	50,000
Wages	6,000		
Gross Profit c/d	1,84,000		
	4,50,000		4,50,000

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Administration Expenses	10,000	Gross Profit b/d	1,84,000
Selling and Distribution Expenses	14,000		
Loss on Sale of Plant	10,000		
Net Profit	1,50,000		
	1,84,000		1,84,000

Calculate the following ratios :

- Gross profit ratio
- Net profit ratio
- Net operating profit ratio
- Administration Exp. ratio

Unit—III

3. What is B. E. P. ? Explain the utility of BEP.

Or

Calculate B. E. P. from the following information :

- | | |
|---------------|------------|
| (a) Sales | ₹ 1,00,000 |
| Variable Cost | ₹ 50,000 |
| Profit | ₹ 20,000 |
- (b) Fixed Cost ₹ 40,000, P/V Ratio 20%.

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Unit—IV

4. The expenses budget for production of 10000 units in a factory are furnished below :

	Per unit
Materials	70
Labour	25
Variable Overheads	20
Fixed overhead (₹ 1,00,000)	10
Variable Expenses	5
Selling Exp. (10% Fixed)	13
Distribution Exp. (20% Fixed)	7
Administrative Exp. (₹ 50,000)	5
Total Cost	155

Prepare budget for the production of :

- 8000 units
- 6000 units

Assume that administrative expenses are rigid for all level of production.

Or

What do you mean by 'Budgeting' ? Discuss its importance and limitations.

Unit—V

5. What is the role of marginal costing in the decision of 'Make or Buy' ?

Or

What is Job Costing ? Discuss its advantages and limitation.

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