



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.C.A. DEGREE EXAMINATION – COMPUTER APPLICATIONS

THIRD SEMESTER – NOVEMBER 2017

16UCO3AL03 - BUSINESS ACCOUNTING

Date: 09-11-2017
Time: 09:00-12:00

Dept. No.

Max. : 100 Marks

PART A

ANSWER ALL THE QUESTIONS:

10X2 = 20 Marks

1. Write the golden rule for passing journal entries.
2. What is ledger?
3. Comment on (a) Current ratio – 2.5:1 (b) Liquid ratio – 1.75:1
4. State the profitability ratios.
5. Calculate prime cost when the materials – Rs. 150,000; wages – Rs. 75,000; direct expenses – Rs. 25,000 and indirect expenses – Rs. 32,000.
6. List out any four expenses which come under the factory overheads in the cost sheet.
7. Find out the BEP: Fixed cost – Rs. 200,000 and P/V ratio – 20%
8. Calculate P/V ratio when the sales Rs. 40,000 and variable costs Rs. 25,000.
9. What is key factor?
10. Mention the uses of computerized accounting system.

PART B

ANSWER ANY FOUR QUESTIONS:

4X10 = 40 Marks

11. Journalize the following transactions and post them into ledger:

Date	Transactions	Rs.
Jan.1	Started business with cash	50,000
Jan.3	Sold Goods to Rohan through online	40,000
Jan .7	Goods purchased from Ashok through debit card	20,000
Jan.20	Paid Rent	500
Jan.25	Commission Received	200
Jan.30	Machinery purchased	10,000
Jan. 31	Rohan settled his account by paying cash	39,500

12. From the following ledger accounts, draw up a Trial Balance in the books of Shri.Subhash Chand as on 31st March,2017:

Name of the accounts	Rs.	Name of the accounts	Rs.
Capital	1,50,000	Sales	1,05,400
Purchases	40,000	Sundry Creditor	5,000
Cash in Hand	7,000	Rent	2,000
Cash at Bank	8,500	Furniture	16,000
Electricity exp.	4,800	Bank Loan	10,000
Stationery	500	Investment	6,000
Office Equipment	2,400	Commission paid	1,050
Sundry Debtors	8,000	Opening Stock	3,200
Machinery	1,60,000	Commission Received	1,200
Salaries	11,400	Postage & Telegram	750

13. (a) Current ratio 2.5; Working capital Rs. 60,000. Calculate the amount of current assets and current liabilities.

(b) Sales Rs.40,00,000; Debtors Turnover ratio-8 Times; Closing Bills Receivable Rs.40,000; Ascertain the closing Debtors.

14. In a factory, a standard product is manufactured. From the following particulars prepare cost sheet showing total cost and profit made:

Details	Rs.
Raw materials consumed	30,000
Direct Wages	60,000

Works overheads are charged at 40% of works cost and office overheads are taken at 20% of total cost. The standard product sold during the period is 180 units at Rs.1,200 each.

15. From the following figures, calculate: (i) P/V ratio (ii) Break Even Sales and (iv) Sales to earn a profit of Rs.120,000

Details	2015	2016
Sales	Rs.4,00,000	Rs. 5,00,000
Profit	Rs. 1,00,000	Rs. 1,40,000

16. Sales Rs. 1,00,000; Profit Rs. 10,000; Variable cost 70%.

Find out:

- P/V ratio
- Fixed cost
- Sales to earn a profit of Rs. 40,000

17. Describe the uses and limitations of computerized accounting system in the modern era of accounts management.

PART C

ANSWER ANY TWO QUESTIONS:

2X20 = 40 Marks

18. Prepare Trading, Profit and Loss Account and Balance Sheet:

Name of the Accounts	Rs.	Name of the Accounts	Rs.
Capital Account	181,000	Sales	980,000
Drawing Account	36,000	Postage and Courier	800
Plant and Machinery	145,000	Discounts received	2,200
Stock as on 1 st April	95,000	Rent received	1,800
Purchases	782,000	Insurance charges	2,700
Returns inwards	12,000	Salaries and wages	31,300
Returns outwards	3,000	Cash in hand	6,200
Sundry Debtors	20,600	Cash at Bank	30,500
Furniture and Fittings	15,000	Carriage outwards	500
Freight and Duty	2,000	Rent, rates and GST	24,600
Sundry creditors	40,000	Printing and stationary	3,800

Adjustments: (i) Closing stock as on 31st March 2017 is Rs.20,000 (ii) Rent outstanding Rs.2,500 (iii) Provide depreciation on Plant and Machinery @ 10%; on Furniture and Fixtures @ 6%.

19. Analyze and comment on the financial position of the company using solvency and liquidity ratios:

Liabilities	Rs.	Assets	Rs.
Share Capital	200,000	Goodwill	120,000
Reserves	40,000	Fixed assets	280,000
Profit & Loss A/c	60,000	Stock	80,000
Secured loans	160,000	Debtors	40,000
Creditors	100,000	Bills Receivable	20,000
Provision for tax	40,000	Cash	60,000
Total	600,000	Total	600,000

20. The following particulars are relating to a manufacturer for the year 2016 (1000 units):

Details of Cost	Rs.	Details of Cost	Rs.
Raw materials	20,000	Office overheads	4,000
Wages	12,000	Selling overheads	1,000
Factory overheads	8,000	Profit (on Sales)	25%

In 2017, the manufacturer gets a quotation to produce 150 units. The following are the prime expenses for 150 units: Raw materials - Rs.3000; Wages Rs.1800.

There is no change in rate of profit. Prepare the quotation and find out the quotation price showing total profit and selling price per unit.

21. The following details are extracted from a manufacturing industry:

Details	Product A Per Unit (Rs.)	Product B Per Unit (Rs.)
Selling price	200	500
Materials (Rs. 20 per kg)	40	160
Labour (Rs.10 per hour)	50	100
Variable overheads	20	40
Maximum productions for the period	1000 units	600 units

The total fixed overheads Rs. 15,000.

Comment on the profitability of each product when the key factor is raw material and prepare Marginal Cost Statement by showing the maximum profit when the availability of raw material is limited to 5000 kilo grams.
