



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.C.A. DEGREE EXAMINATION – COMPUTER APPLICATIONS

THIRD SEMESTER – NOVEMBER 2018

16/17UCO3AL03 – BUSINESS ACCOUNTING

Date: 03-11-2018

Dept. No.

Max. : 100 Marks

Time: 01:00-04:00

PART A

Answer ALL the questions:

(10X2 Marks =20)

1. Define the term accountancy.
2. State the golden rules for passing journal entries.
3. If Sales is Rs.2,00,000 and Gross Profit Rs.28,000, then find out Gross Profit Ratio.
4. What is creditors' velocity?
5. What is BEP?
6. Find out the value of sales when the Profit Volume Ratio is 30% and its contribution is Rs.1,20,000.
7. What are the costs involved under factory overheads?
8. Direct Materials Rs.30,000; Direct Wages Rs.20,000; Factory Overheads Rs.10,000; Sales Commission Rs.40,000; Find out the Prime Cost.
9. Write a note on TALLY Accounting Package.
10. State the ERP modules with respect to accounting transactions.

PART B

Answer any FOUR questions:

(4x10 Marks =40)

11. Journalize the following transactions and prepare Cash A/c:

1	Purchased goods for cash	Rs. 10,000
2	Purchase stationery for cash	Rs. 500
3	Good sold to Jane for cash	Rs. 3,000
4	Good sold to James	Rs. 2,000
5	Paid Rent	Rs. 500
6	Received interest	Rs. 1,500
7	Installation charges for machines	Rs. 1,700
8	Paid Salary	Rs. 7,500
9	Cash received from James (Full Settlement)	Rs. 1,900
10	Advertisement charges paid	Rs. 2,400

12. Prepare Trial Balance from the following balances as on 30.6.2004.

Particulars	Rs.	Particulars	Rs.
Capital	2,49,000	Drawings	24,000
General expenses	97,000	Building	78,000
Machinery	1,18,680	Stock	1,32,400
Wages	14,400	Insurance	2,610
Bad debts	1,100	Creditors	5,000
Sales	3,30,720	Loan (cr)	75,000
Commission	5,500	Purchases	2,10,800
Bills Payable	7,700	Reserve Fund	15,000
Bank Overdraft	28,600	Cash in hand	25,320
Discount	1,210		

13. If the current ratio is 2.5; liquid ratio is 1.5 and its working capital Rs.90,000 then determine the value of (i) Current Assets; (ii) Current Liabilities; (iii) Liquid Assets and (iv) Stock.

14. A company purchases goods both on cash as well as credit terms. The following particulars are obtained from the books:

Details	Rs.
Total Purchases	3,00,000
Cash Purchases	30,000
Purchases returns	51,000
Creditors at the end	1,05,000
Bills Payable at the end	60,000

Calculate the average payment period.

15. Selling Price per unit Rs.10; Variable Cost per unit Rs.8; Fixed Cost Rs.80,000; No. of units sold- 1,00,000 units. Prepare marginal cost statement and find out (i) P/V Ratio (ii) Break Even Point and (iii) Margin of Safety and (iv) Margin of Safety in percentage.

16. Give a specimen of cost sheet and explain the different items included in the cost sheet.

17. Describe the uses and limitations of computer based accounting system.

PART C

Answer any TWO questions:

(2X20 Marks = 40)

18. Prepare a Trading and Profit & Loss account for the year ended 31st December 2018 and a Balance Sheet as on that date from the following Trial Balance of Mr. Rehman:

Name of the Accounts	Rs.	Name of the Accounts	Rs.
Drawings	45,000	Capital	1,60,000
Goodwill	90,000	Bills payable	35,000
Buildings	60,000	Creditors	70,000
Machinery	40,000	Purchase return	2,650
Bills receivable	6,000	Sales	2,18,000
Opening stock	40,000		
Purchases	51,000		
Wages	26,000		
Carriage outwards	500		
Carriage inwards	1,000		
Salaries	35,000		
Rent	3,000		
Discount	1,100		
Repairs	2,300		
Bank	25,000		
Cash	1,600		
Debtors	45,000		
Bad debts	1,200		
Sales return	2,000		
Furniture	6,000		
Advertisement	3,500		
General expenses	450		
Total	4,85,650	Total	4,85,650

Adjustment:

- Closing stock was Rs. 35,000
- Depreciation on machinery and furniture by 10%
- Outstanding wages Rs. 1,500
- Prepaid advertisement Rs. 500
- Create 5% on debtors for bad debts as provision.

19. The following is the Balance Sheet of Salman Industries Limited for the year ended 31.03.2018:

Balance Sheet			
Liabilities	Rs.	Assets	Rs.
Share Capital	1,00,000	Goodwill	60,000
Reserves	20,000	Plant	1,40,000
Profit & Loss A/c	30,000	Stock	30,000
Loan	80,000	Debtors	30,000
Creditors	50,000	Bills Receivable	10,000
Outstanding expenses	20,000	Cash	30,000
Total	3,00,000	Total	3,00,000

Other details are: Total sales Rs. 12,00,000; Total Purchases Rs.10,00,000; Closing stock Rs.30,000; Gross Profit Rs.68,000 and Net Profit Rs.30,000.

Comment on: (i) The liquidity and solvency positions of the company; and (ii) The activity (turn over) and profitability status of the company.

20. The sales and profit for 2016 and 2017 are as follows:

Year	Sales	Profit
2016	Rs.140,000	Rs.15,000
2017	Rs.160,000	Rs.20,000

Find out:

- Break Even Point;
- Margin of Safety for 2017;
- Sales for the profit of Rs.40,000 and
- Profit when the sales of Rs.1,20,000.

21. A factory produces 100 units of a commodity in the month of September 2018. The cost of production is:

Details	Rs.	Details	%
Direct Materials	1,000	Factory overheads	125% on wages
Direct Wages	500	Office overheads	20% on works cost
Direct Expenses	100	Profit	25% on sales

- Calculate the price to be fixed per unit by preparing a cost sheet.
- Prepare a quotation for 40 units and find out the quotation price.
