



**LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034**

**B.C.A. DEGREE EXAMINATION – COMPUTER APPLICATIONS**

THIRD SEMESTER – APRIL 2018

**16UCO3AL03- BUSINESS ACCOUNTING**

Date: 03-05-2018  
Time: 01:00-04:00

Dept. No.

Max. : 100 Marks

**PART A**

**Answer ALL the questions:**

**(10X2 Marks =20 Marks)**

1. Define the term accounting.
2. State the golden rules for passing journal entry.
3. Write a short note on ledger.
4. What is liquidity?
5. List out the current assets and current liabilities.
6. What is key factor?
7. How does the BEP calculated?
8. Find out Margin of Safety: Sales Rs.4 Lakhs; Profit Rs.20,000 and P/V Ratio 20%.
9. What is meant by the Enterprise Resource Planning (ERP) in accounting?
10. State any two uses of TALLY Accounting package.

**PART B**

**Answer any FOUR questions:**

**(4x10 Marks =40 Marks)**

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

Date	Transactions	Rs.
April 1	Started business with cash	500,000
April 3	Sold Goods to Rohan through online	400,000
April 7	Goods purchased from Ashok through debit card	200,000
April 20	Paid Rent	5,000
April 25	Commission Received	2,000
April 30	Machinery purchased	100,000
April 30	Rohan settled his account by paying cash	395,000

12. Bring out the significance of ratio analysis in business.

13. From the following ledger accounts, draw up a Trial Balance in the books of Smt. Antonyammal as on 31st March, 2018:

Name of the accounts	Rs.	Name of the accounts	Rs.
Plant and Machinery	60,000	Furniture and fittings	12,000
Prepaid expenses	600	Accrued income	1,200
Income received in advance	1,200	Outstanding expenses	600
Bills Payable	1,800	Bills receivable	1,200
Sundry debtors	60,000	Sundry creditors	59,400
Bank Overdraft	6,000	Investment in shares	6,000
Long-term loan	60,000	Machinery	51,000
Capital	120,000	Building	60,000
Land	6,000	Goodwill	6,000
Drawings	6,000	Interest received	36,000
Cash-in-hand	3,000	Cash at bank	11,400
Income tax paid	600		

14. Calculate the Debtors and Creditors turn over ratios and comment on the receivables management of the following companies:

Details	X Ltd Rs.	Y Ltd Rs.
Sales	440,000	800,000
Sales returns	90,000	-
Purchases	250,000	540,000
Purchase returns	50,000	40,000
Debtors	50,000	100,000
Bills Payable	20,000	25,000
Bills Receivable	25,000	-
Creditors	80,000	25,000

15. From the following information, calculate (a) P/V Ratio (b) BEP (c) Margin of Safety

Details	Rs.
Total sales	360,000
Selling price per unit	100
Variable cost per unit	50
Fixed costs	100,000

16. A factory produces 10 units of a commodity. 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.

17. Briefly describe the uses and limitations of computerized accounting system.

### PART C

Answer any TWO questions:

(2X20 Marks = 40 Marks)

18. From the following Trial Balance of Radhe Shyam Trading and Profit and Loss A/c for the year ending 31st December, 2017 and Balance Sheet as on that date. The Closing Stock on 31st December, 2017 was valued at Rs. 2,50,000.

Debit Balances	Amount (Rs.)	Credit Balance	Amount (Rs.)
Stock (1-1-2017)	2,00,000	Sundry Creditors	1,50,000
Purchases	7,50,000	Purchases Return	30,000
Sales Return	80,000	Sales	25,00,000
Freight and Carriage	75,000	Commission	33,000
Wages	3,65,000	Capital	17,00,000
Salaries	1,20,000	Interest on Bank Deposit	20,000
Repairs	12,000	B/P	62,000
Trade Expenses	40,000		
Rent and Taxes	2,40,000		
Cash in Hand	57,000		
B/R	40,000		
Sundry Debtors	5,50,000		
Plant and Machinery	16,00,000		
Withdrawals (Drawings)	1,66,000		
Bank Deposit	2,00,000		
<b>Total</b>	<b>44,95,000</b>	<b>Total</b>	<b>44,95,000</b>

19. The following is the Balance Sheet of Salman Industries Limited for the year ended 31.12.2017:

### BALANCE SHEET as on 31<sup>st</sup> December, 2017

Liabilities	Amount	Assets	Amount
Bank overdraft	1,80,000	Cash in Hand	20,000
Bills payable	60,000	Bills receivable	1,00,000
Creditors	2,40,000	Investments (Short-term)	80,000
Capital	15,00,000	Debtors	3,20,000
Add: Net Profit	6,20,000	Closing Stock	4,00,000
	21,20,000	Furniture	1,50,000
Less: Drawings	1,30,000	Plant & Machinery	8,00,000
	19,90,000	Land & Building	6,00,000
<b>Total</b>	<b>24,70,000</b>	<b>Total</b>	<b>24,70,000</b>

Other details: Total sales Rs. 25,00,000; Total purchases Rs.18,00,000; Opening stock Rs.20,000; Closing stock Rs.4,00,000 and Gross Profit Rs.7,00,000.

Comment on the activity (turn over) and profitability status of the company.

20. Comment on the profitability of each product when the key factor is:

(i) Raw material; (ii) Labour hour; (iii) Sales quantity; (iv) Sales value; (v) Low demand.

Details	Product A Per Unit (Rs.)	Product B Per Unit (Rs.)
Selling price	200	500
Materials (Rs. 20 per kg)	2 Kg	8 Kg
Labour (Rs.10 per hour)	5 Hrs	10 Hrs
Variable overheads	20	40
Maximum productions for the period	1200 units	800 units

The total fixed overheads Rs. 15,000.

21. A manufacturing company submits to you the following details about the various expenses incurred by it during the year ended 31st December 2017:

Details	Rs.	Details	Rs.
Raw materials	250,000	Bad debts	3,000
Samples	10,000	Office stationery	2,000
Depreciation on plant and machinery	15,000	Rent of factory	25,000
Salary to factory workers	60,000	Office salary	100,000
Legal expenses	3,000	Commission on sales	40,000
Supervisor's salary	55,000	Audit fees	3,000
Factory rates and insurance	10,000	Income tax	15,000
Carriage outwards	15,000	Donation to charitable institutions	5,000
Wages	200,000	Purchase of new plant	100,000

Classify the above expenses under the various heads of cost, showing separately the total expenditure under each head.

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