

03699

ADCA / MCA (II YEAR)

Term-End Examination

June, 2010

**CS-54 : FINANCE AND ACCOUNTING ON
COMPUTERS**

Time : 3 hours

Maximum Marks : 75

Note : Question No. 1 is compulsory. Attempt any three questions from the rest. Question 1 is of 30 marks and the remaining questions are of 15 marks each.

1. (a) The following Trial Balance is extracted from the books of a merchant on 31st March, 2009. 20

Particulars	Dr (Rs.)	Cr (Rs.)
Furniture and fittings	6,400	-
Motor vehicles	62,500	-
Buildings	75,000	-
Capital A/c	-	1,25,000
Bad Debts	1,250	-
Provision for Doubtful Debts	-	2000
Sundry Debtors and creditors	38,000	25,000
Stock on Ist April, 2008	34,600	-
Purchases and sales	54,750	1,54,500
Bank overdraft	-	28,500
Sales and Purchases Returns	2000	1250
Advertising	4500	-
Interest A/c	1180	-
Commission	-	3750
Cash	6500	-
Taxes and Insurance	12500	-
General Expenses	7820	-
Salaries	33000	-
	3,40,000	3,40,000

The following adjustments are to be made :

- (i) Stock in Hand on 31st March 2009 was Rs. 32,500.
- (ii) Depreciate Building @ 5% furniture and Fittings @ 10% and Motor Vehicles @ 20%.
- (iii) Rs. 850 is due for interest on Bank overdraft.
- (iv) Salaries Rs. 3,000 and Taxes Rs. 1200 are outstanding.

- (v) Insurance amounting to Rs. 1,000 is prepaid.
- (vi) One third of the commission received is in respect of work to be done next year.
- (vii) Write off further Rs. 1000 as Doubtful Debts and provision for Doubtful Debts to be made equal to 5% on Sundry Debtors.

Prepare the Trading and Profit and Loss Account for the year ending 31st March, 2009 and the Balance sheet as on that date.

- (b) Explain the following accounting concepts : 10
 - (i) Business Entity Concept
 - (ii) Money Measurement Concept
- 2. Discuss 'Payback Period' method and 'Net Present Value' method of investment evaluation. 15
- 3. What are the two important characteristics of Current Assets ? What are their implications for Working Capital Management ? 15
- 4. What is a funds flow statement ? Give a specimen of funds flow statement. Discuss its uses. 15
- 5. What are the objectives of inventory management ? Explain the techniques for inventory control ? 15