

ADCA / MCA (II YEAR)

Term-End Examination

June, 2011

CS-54 : FINANCE AND ACCOUNTING ON
COMPUTERS

Time : 3 hours

Maximum Marks : 75

Note : Question no. 1 is compulsory and carries 30 marks.
Attempt any three question from the rest, which carry
15 marks each.

1. (a) The following trial balance has been 20
extracted from the books of M/S. ABC Ltd.
on 31st March 2010.

Particulars	Dr. (Rs.)	Cr. (Rs.)
Plant and Machinery	1,00,000	
Furniture and Fixtures	12,000	
Drawings /Capital A/C	2,000	1,76,000
Loose tools	20,000	
Good will	10,000	
Opening stock (01.04.09)	20,000	
Returns	8,000	4,000
Discount		6,000
Purchases/Sales	2,12,000	4,68,000
Wages	1,00,000	
Provision For doubtfull debts		2,000
Carriage inwards	12,000	
Salaries	41,600	

- (b) The capital structure of M/S. ABC consist of equity share capital of Rs.10,00,000 (Shares of Rs. 100 par value) and Rs.10,00,000 of 10% debentures. Sales increased by 20% from 1,00,000 units to 1,20,000 units during the year 2010. The selling price is Rs.10 per unit. Variable cost amounts to Rs. 6 per unit and fixed expenses amount to Rs.2,00,000. The income tax rate is assumed to be 50%. You are required to calculate the following :
- (i) the percentage increase in earning per share during the year 2010.
 - (ii) the degree of financial leverage at 1,00,000 units and 1,20,000 units.
 - (iii) the degree of operating leverage at 1,00,000 units and 1,20,000 units.

2. Explain in detail the following accounting concepts : 15

- (a) Accrual Concept.
- (b) Concept of Conservatism.
- (c) Consistency Concept
- (d) Periodicity Concept.

3. What are the various types of investment proposals ? Briefly explain the discounted cash flow methods used for appraisal of investment proposals. 15

4. What is a budget ? What is sought to be achieved by Budgetary Control ? Discuss its advantages. 15

 5. Explain the concept of working capital. What are the determinants of working capital needs of a firm ? 15
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