

This question paper contains 5 printed pages.]

Your Roll No.

1729

A

MCA / II Sem.

**Paper MCA - 205 - FUNDAMENTALS OF
ACCOUNTING AND FINANCE
(Admissions of 2009 and onwards)**

Time : 2 Hours

Maximum Marks : 50

*(Write your Roll No. on the top immediately
on receipt of this question paper.)*

Attempt all questions.

All questions carry equal marks.

1. (a) Explain Money Measurement concept. 3
- (b) Current Ratio 2.5, Working Capital Rs 60,000. Calculate the amount of Current Assets and Current Liabilities. 4
- (c) Quick Assets Rs. 1,50,000, Stock Rs. 40,000, Prepaid expenses Rs. 10,000, Working Capital Rs. 1,20,000. Calculate Current Ratio. 3
2. (a) Explain the important decisions which a Finance Manager has to take. 4

[P.T.O.]

- (b) ABC Ltd. forfeited 150 equity shares of Rs. 10 each issued at a premium of Rs. 5 per share, for non-payment of allotments money of Rs. 8 per share (including premium of Rs. 5 per share), the first call of Rs. 2 per share and the final call of Rs. 3 per share. Out of these 100 shares were reissued at Rs. 14 per share. Pass journal entries. 3
- (c) A Ltd. forfeited 100 shares of Rs. 10 each fully called up, held by X for non-payment of allotment money of Rs. 3 per share and final call of Rs. 4 per share. He paid the application money of Rs. 3 per share. These shares were re-issued to Y for Rs. 12 per share. Pass journal entries. 3
3. (a) Calculate Break-even point as well as the sales in terms of units to earn profit of Rs 2,00,000 from the given information—
- SP = Rs. 100 per unit
- Variable Cost = Rs. 70 per unit
- Fixed Cost = Rs. 1,80,000 5
- (b) Pass journal entries for the following transactions in the books of A & Co. 5
- (i) Received Rs. 4,000 from Mahesh which were written off as bad debts in the previous year.
- (ii) Salaries due to clerks Rs. 7,500.

(iii) Provide 10% depreciation on Furniture of Rs. 5,000.

(iv) Charge interest on drawings Rs. 500.

(v) Paid rent by cheque Rs. 2,000.

4. Prepare Trading and Profit and Loss A/c and the Balance Sheet as on 31st March 2009 from the following information. 10

	Rs.
Capital	19,000
Drawings	700
Machinery	12,000
Furniture	2,600
Debtors	3,600
Creditors	2,600
Purchases	2,000
Sales	4,200
Wages	800
Bank Balance	2,600
Salaries	8,00
Repairs	190

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Stock	1,600
Rent	450
Manufacturing exp	150
Bills Payable	2,350
Bad debts	500
Carriage	160

Adjustments :

- (i) Closing stock Rs. 1,600
- (ii) Depreciate Machine & Furniture by 10%
- (iii) Unpaid Rent Rs. 50
- (iv) Salaries outstanding Rs. 200
- (v) Bad debts Rs. 300

5. Calculate Payback period for the Machine A as well B from the following information. The estimated cash flows of the two machines are :

Year	Machine A	Machine B
1	30,000	42,000
2	24,000	35,000

3	22,000	28,000
4	20,000	25,000
5	14,000	15,000
6	—	10,000
7	—	12,000

The cost of Machine A is Rs. 80,000 and of Machine B is Rs. 1,00,000