

BCA (Honours) 1st Semester Examination, 2022**Subject : Computer Application****Course : BCA-104****(Principles of Accounting)****Time: 4 Hours****Full Marks : 80**

*The figures in the margin indicate full marks.
Candidates are required to give their answers in their
own words as far as practicable.*

Answer Question No. 1 and any four from the rest.

1. (a) Answer any four questions:**2×4=8**

- (i) Distinguish between accounting and book-keeping.
- (ii) What is accrual concept in accounting?
- (iii) Distinguish between Provision and Reserve.
- (iv) What is Contra Entry? Give an example.
- (v) What do you mean by contingent liability?
- (vi) Distinguish between tangible and intangible assets with examples.

(b) Answer any four questions:**2×4=8**

- (i) Define cost unit with examples.
- (ii) What do you mean by apportionment of overhead?
- (iii) Define material cost variance.
- (iv) What is margin of safety?
- (v) What do you mean by chargeable expenses? Give example.
- (vi) Differentiate between cash budget and production budget.

2. (a) (i) What is depreciation? Explain the causes of depreciation.

(ii) Classify the following items as capital or revenue expenditure:

1. An extension of building in the factory area;
2. Wages paid to machine operators;
3. Installation costs of new production machine;
4. Materials for extension to foremen's offices in the factory;
5. Rent paid for the factory;
6. Payment for computer time to operate a new stores control system;
7. Wages paid to own employees for building the foremen's offices;
8. Carriage spent on machinery purchased and installed.

(b) (i) Define budgeting. Write a short note on 'Zero-base budgeting.'

(ii) Categorize the following expenses into Production cost, Administrative cost or Selling and Distribution cost:

1. Direct Material
2. Rent, rates, depreciation and insurance of sales office and warehouses
3. Direct Expenses
4. Postage, stationery and telephone
5. Rent, rates and depreciation of office building
6. Expenses of advertisement, insurance
7. Factory expenses
8. Maintenance of delivery vans

(4+4)+(4+4)=16

3. (a) From the following particulars prepare a Balance Sheet of Mr. X, for the year ended 31st March, 2022.

Capital: Rs.2,00,000; Drawings: Rs. 40,000; Cash in hand: Rs. 15,000; Loan from bank: Rs. 40,000; Sundry creditors: Rs. 40,000; Bills payable: Rs. 20,000; Bank overdraft: Rs. 20,000; Goodwill: Rs. 60,000; Sundry debtors: Rs. 80,000; Land and building: Rs. 50,000; Plant and machinery: Rs. 80,000; Investment: Rs. 20,000; Bills receivable: Rs. 10,000; Cash at bank: Rs. 25,000.

The following adjustments are made at the time of preparing final accounts:

- (i) Outstanding Liabilities for : Salaries Rs. 10,000; Wages Rs. 20,000; Interest on Bank Overdraft Rs. 3,000; and Interest on Bank Loan Rs. 6,000.
- (ii) Provide Interest on Capital @ 10% p.a.
- (iii) Depreciation on Plant and Machinery by 10% p.a.
- (iv) Bad Debts amounted to Rs. 10,000 and make a provision for Bad Debts @ 10% on Sundry Debtors.
- (v) Closing stock amounted to Rs. 1,20,000.

Net profit for the year amounted to Rs. 96,000 after considering all the above adjustments.

- (b) ABC Company whose accounting year is the calendar year, purchased on 1st April, 2018, Machinery costing Rs. 30,000. It purchased further machinery on 1st October, 2018 costing Rs. 20,000 and on 1st July, 2019 costing Rs. 10,000. On 1st January, 2020 one third of the Machinery installed on 1st April, 2018 became obsolete and was sold for Rs. 3,000. Machinery is depreciated by fixed installment method at 10% per annum. Show how machinery account would appear in the books of ABC Company.

4. (a) The following figures for profit and sales obtained from the accounts of XYZ Co. Ltd.

Year	Sales (Rs.)	Profit (Rs.)
2018	20,000	2,000
2019	30,000	4,000

Calculate:

- (i) P/V Ratio
 - (ii) Fixed cost
 - (iii) Break-even Sales
 - (iv) Profit at sales Rs. 40,000
- (b) (i) Define 'Angle of incidence'.
- (ii) From the data given below, calculate the Material Price Variance, Material Usage Variance and Material Mix Variance:

$$8 + (2 + 6) = 16$$

Raw Material	Standard	Actual
A	40 units @ Rs. 50 per unit	50 units @ Rs. 50 per unit
B	60 units @ Rs. 40 per unit	60 units @ Rs. 45 per unit

5. (a) Following transaction occurred for a specific material. From this information, prepare a Stores Ledger Accounting adopting FIFO method of pricing of issue of materials.

1st January Opening Stock 10 tons at Rs. 240 per ton

4th January Purchased 5 tons at Rs. 260 per ton

5th January Issued 3 tons

12th January Issued 4 tons

13th January Purchased 3 tons at Rs. 250 per ton

19th January Issued 4 tons

26th January Issued 3 tons

30th January Purchased 4 tons at Rs. 280 per ton

31st January Issued 3 tons

(b) Record the following transactions in a double column cash book at the end of the month in the books of Mr. A. 8+8=16

January 1 Opening cash balance Rs. 3,800 and bank balance Rs. 27,500

January 4 Wages paid in cash Rs. 1,500

January 5 Received cheque of Rs. 19,800 from KBK enterprises after allowing discount of Rs. 200

January 7 Paid to consultancy charges by cheque for Rs. 7,500

January 10 Cash of Rs. 2,500 withdrawn from bank

January 12 Received a cheque for Rs. 4,500 in full settlement of the account of Mr. X at a discount of 10% and deposited the same into the Bank.

January 15 X's cheque returned dishonoured by the bank

(a) From the following particulars, prepare a cost sheet for the year ended 31st March, 2021.

Opening Stock of finished goods	6,000
Closing Stock of finished goods	15,000
Opening Stock of raw materials	40,000
Closing Stock of raw material	50,000

Opening Work-in-progress	15,000
Closing Work-in-progress	10,000
Purchase of raw materials	4,75,000
General expenses	32,500
Carriage inward	12,500
Sales for the year	8,60,000
Wages	1,75,000
Income tax	500
Works manager's salary	30,000
Factory employees' salaries	60,000
Debenture interest	5,000
Factory rent, taxes and Insurance	7,250
Power expenses	9,500
Goodwill written off	10,000
Other production expenses	43,000
Selling expenses	9,250

(b) (i) Briefly discuss the types of accounts.

(ii) Briefly explain the 'Business Entity Concept'.

8+(4+4)=16

(7)

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7. (a) Write short notes on :

(i) Material Usage Variance

(ii) Labour Rate Variance

(b) (i) Differentiate between fixed budget and flexible budget.

(ii) Write a short note on 'Going Concern Concept'.

(4+4)+(4+4)
