

PGDCAA/DCA/CCA-02

December - Examination 2016

PGDCAA / DCA / CCA Examination**Fundamentals of Accounting****Paper - PGDCAA/DCA/CCA-02****Time : 3 Hours]****[Max. Marks :- 100**

Note: The question paper is divided into three sections A, B and C. Write answers as per given instructions.

Section - A**10 × 2 = 20**

(Very Short Answer Questions)

Note: Answer **all** questions. As per the nature of the question delimit your answer in one word, one sentence or maximum upto 30 words. Each question carries 2 marks.

- 1) (i) What is an Account?
- (ii) Name the category of accounts that are balanced?
- (iii) What is Compound Journal Entry? Give an example.
- (iv) For what purpose is a 'Journal Proper' used?
- (v) State any two objectives of 'Financial Statement Analysis'.
- (vi) Name the four ratios measuring 'Profitability'.
- (vii) Define a 'Funds Flow Statement'.
- (viii) Net sales during the year 2015 is ₹ 285000. Gross Profit is 25% of sales. Find out cost of goods sold.

- (ix) What are outstanding expenses? What is its adjusting entry?
 (x) Give three examples of cash flow from Investing Activities.

Section - B

4 × 10 = 40

(Short Answer Questions)

Note: Answer **any four** questions. Each answer should not exceed 200 words. Each question carries 10 marks.

- 2) Write short notes on:
 (i) Cash Discount
 (ii) Real Account
 (iii) Ledger
 (iv) Fixed Assets
- 3) What do you mean by 'Three Column Cash Book'? How is it prepared?
- 4) What is a Trial Balance? Discuss the methods of preparation of a Trial Balance.
- 5) What do you understand by 'Unearned Income'? How is unearned Income shown in the Final Accounts?
- 6) Enter the following in Shri Ram's Cash Book:

2015

March 1	Balance of cash in hand Rs. 15000
March 8	Purchases goods for cash from X Rs. 3200
March 15	Sold goods for Rs. 4800 to Y
March 20	Received commission Rs. 650
March 20	Paid commission Rs. 550
March 28	Paid to Nath on account Rs. 7150
March 31	Paid salary to the office clerk Rs. 1000 and paid office rent Rs. 600

- 7) What is meant by Financial Statement Analysis? Briefly explain limitations of it.
- 8) Current assets of a company are Rs 900000. Its current ratio is 3 and liquid ratio is 1.2. Calculate current liabilities, liquid assets and inventory.
- 9) Explain the difference between:
 - (i) Funds flow statement and Cash flow statement.
 - (ii) Funds flow statement and Balance sheet.

Section - C

$2 \times 20 = 40$

(Long Answer Questions)

Note: Answer **any two** questions. Each answer should not exceed 500 words. Each question carries 20 marks.

- 10) Write short notes on: (any two)
 - (i) Journal
 - (ii) Profit and Loss Account
 - (iii) Balance Sheet
 - (iv) Short Term Solvency Ratios
- 11) Give the names of main subsidiary books to record credit transactions and also give the brief description of each subsidiary books.
- 12) (i) Give a specimen of cash flow statement as per accounting standard using imaginary figures.
(ii) "Ratio Analysis plays an important role in the process of decision making in business". Explain.

- 13) Following are the Balance Sheets of a limited company as on 31st December 2013 and 2014.

Liabilities	2013 Rs,	2014 Rs.	Assets	2013 Rs.	2014 Rs.
Share capital	54000	74000	Goodwill	3000	2520
Reserves	13000	15500	Buildings	50950	48000
P&L A/c	8600	8800	Plant	35000	43000
Bank Loan (long term)	25000	–	Stock	25500	18800
Creditors	28000	24000	Debtors	22000	16200
Bills Payable	8000	8500	Cash	150	180
			Bank	–	2100
	136600	130800		136600	130800

Other information: During the year 2014:

- (i) Dividend paid was Rs. 6000
- (ii) Rs. 3600 was written off as depreciation on plant and Rs. 2950 on buildings.
- (iii) Profit on sale of plant was Rs. 3000

Prepare funds flow statement and statement of changes in working capital.