

**PGDCAA/DCA/CCA-02**

June - Examination 2019

**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 do you mean by accounting?
- (ii) What is cost concept?
- (iii) Write any two limitations of accounting.
- (iv) Write any two advantages of double entry system.
- (v) What is purchase book?
- (vi) What do you mean by Journal Proper?
- (vii) How do we treat closing stock in trial balance?
- (viii) What is prepaid expenditure?

- (ix) What do you mean by Depreciation?  
 (x) Write the formula of net profit ratio

**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) Define Accounting Standards. Explain the accounting standard six (AS-6) related to depreciation accounting?  
 3) What is Cash Flow Statement? Describe briefly the main sources and uses of cash.  
 4) Prepare sales book from the following

2012		Rs.
March 1	Goods sold to Laxmi Bros.	36,000
March 10	Goods sold to Modern Store.	6,000
March 15	Goods sold to Shyam & Co.	8,000
March 1	Goods sold to Ram & Trade Discount allowed@10	24,000
March 31	Goods sold to Hari	4,000

- 5) What is meant by provision for bad debts? Why is such provision made?  
 6) Explain any two errors not affecting Trial Balance.  
 7) What is the importance of accounting in business activities?  
 8) Discuss in brief the following (any two):

- (i) The Accrual Concept.
- (ii) The Cost Concept.
- (iii) The Matching Concept.
- (iv) Convention of Full Disclosure.

9. The following is the Balance Sheet of Sandeep Enterprises Ltd. as on 31st March, 2010:

### Balance Sheet

<b>Liabilities</b>	<b>Rs.</b>
Equity Share Capital	4,00,000
Capital Reserve	80,000
Mortgage Loan	2,00,000
Creditors	1,60,000
Bank overdraft	40,000
Provision	80,000
Profit & Loss A/c	1,20,000
	10,80,000
<b>Assets</b>	<b>Rs.</b>
Goodwill	2,40,000
Fixed Assets	5,60,000
Stock	1,20,000
Investment (Short Term)	40,000
Cash	1,20,000
	10,80,000

Calculate the following ratios:

- (i) Current Ratio
- (ii) Quick Ratio
- (iii) Debt-Equity Ratio

**Section - C****2 × 20 = 40**

(Long Answer Questions)

**Note:** Answer **any two** questions. You have to delimit your each answer maximum upto 500 words. Each question carries 20 marks.

- 10) What are the fundamental characteristics of accounting principles? Explain
- 11) What do you mean by analysis of financial statement? Explain comparative financial statement with imaginary figures.
- 12) Clearly explain the meaning and importance of fund flow statement
- 13) Given below is the Trial Balance of Mr. Alok, a trader, as on 31.3.2006

Particulars	Dr. Amount (Rs.)	Cr. Amount (Rs.)
Cash in Hand	5,000	
Land and Building	80,000	
Plant and Machinery	50,000	
Debtors and Creditors	25,000	40,000
Stock on 1.4.2005	10,000	
15% Investment on 1.4.2005	20,000	
Purchase and Sales	95,000	1,90,000
Bank Overdraft		20,000
Wages	28,000	
Salaries	16,000	
Rent, Rates and Taxes	15,000	
Bad Debts	6,000	

Drawings	5,000	
Bills Receivable and Bills Payable	15,000	21,000
Carriage Inwards	6,000	
Custom Duty and Purchases	16,000	
Life Insurance Premium	4,000	
Advertisement	30,000	
Provision for Doubtful Debts		2,000
Interest on investment		2,000
Trade Expenses	11,000	
Furniture	20,000	
Sales Tax Payable		25,000
Capital		1,57,000
	4,57,000	4,57,000

#### Additional Information

- (i) Stock on 31.03.2006 was valued at Rs. 40,000
- (ii) Included in Debtors are Rs. 8,000 due from Ram and included in Creditors are Rs. 6,000 due to Ram.
- (iii) Bills receivable include a bill of Rs. 5,000 received from Varun, which has been dishonored.
- (iv) Sales include Rs. 5,000 for the goods sold on approval basis. Goods are sold at a profit of 25% on cost. Approval was not received upto 31.3.2006.
- (v) Wages include Rs. 5,000 spent on the erection of machinery.

- (vi) Advertisement includes Rs. 20,000 spent at the time of launching a new product. It is the policy of the business to write off such expenses in 5 years.
- (vii) Create a provision for doubtful debts at 5% on debtors.
- (viii) Prepaid taxes amounted to Rs. 2,000.
- (ix) Depreciate machinery by 10%.

Prepare Trading and Profit & Loss Account for the year ended 31st March, 2006 and a Balance Sheet on that date.

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