Register No : ____________________

THE KAVERY ENGINEERING COLLEGE

(An Autonomous Institution)

MCA DEGREE END SEMESTER THEORY EXAMINATIONS, APRIL-MAY 2025

First Semester

Master of Computer Applications

MC4104/PMCT2404 – Fundamentals of Accounting

Regulations – 2021/2024

Duration : 3 Hrs ***Maximum : 100 Marks***

*PART – A (ANSWER ALL QUESTIONS) (Marks 10*2=20)*

Q.No	*Questions*	*BLT*	*CO*	*Marks*
1.	Define Financial Accounting.	L1	1	2
2.	Explain the concept of "Matching Principle" in accounting.	L1	1	2
3.	What is Trial Balance? Discuss its significance.	L2	2	2
4.	What is the role of a Cash Book in accounting?	L2	2	2
5.	Explain the concept of Ratio Analysis.	L3	3	2
6.	What is Depreciation? List the different methods of depreciation.	L3	3	2
7.	Define Budgeting. Mention different types of budgets.	L2	4	2
8.	What is a Bank Reconciliation Statement? Explain its need.	L2	4	2
9.	Define Suspense Account and its usage in accounting.	L1	5	2
10.	Discuss the concept of Zero Base Budgeting.	L2	5	2

*PART – B (ANSWER ALL QUESTIONS) (Marks 5*16 = 80)*

Q.No		*Questions*	*BLT*	*CO*	*Marks*
11.	a	Compare and contrast the roles of financial accounting, cost accounting, and management accounting in the decision-making process within a business.	L5	1	16
		Or			
	b	Assess the importance of adhering to accounting principles, concepts, and conventions in preparing financial statements. What might be the consequences of not following these guidelines?	L5	1	16
12.	a i	Prepare journal entries for the following transactions for the month of January: • Purchased raw materials on credit for ₹15,000. • Sold goods for ₹20,000 on credit. • Paid salaries ₹5,000 in cash. • Purchased a fixed asset for ₹25,000 (paid ₹5,000 in cash, balance on credit). • Received a loan of ₹50,000 from ABC Bank. • Paid ₹3,000 for utility bills, ₹2,000 for rent.	L3	2	8
	ii	Post the above journal entries to the ledger accounts.	L3	2	8

Or

	b	i	Prepare a Trial Balance from the following balances and adjustments: • Cash ₹8,000 • Accounts Payable ₹10,000 • Accounts Receivable ₹30,000 • Inventory ₹25,000 • Bank Loan ₹50,000 (interest to be accrued) • Rent Expense ₹5,000 • Capital ₹60,000 • Depreciation ₹3,000 • Prepaid Expenses ₹1,500 • Accrued Revenue ₹2,000	L3	2	8
		ii	Prepare the Final Accounts (Trading and P&L) from the above Trial Balance after incorporating the adjustments for accrued revenue, prepaid expenses, depreciation, and interest accrual.	L3	2	8
13.	a	i	Analyze a Sales Budget for the first quarter, assuming the following: • Expected sales in units for January, February, and March are 5,000, 6,000, and 8,000, respectively. • Selling price per unit is ₹300. • Expected returns per month are 5% of the total sales. • Discount of 10% on sales is offered for payments made within the first 10 days.	L4	3	8
		ii	Analyze a Cash Budget for the month of January, considering the following details: • Opening cash balance = ₹15,000 • Cash receipts: ₹50,000 from sales, ₹5,000 from loan, ₹10,000 from investments. • Cash payments: ₹20,000 for expenses, ₹10,000 for loan repayment, ₹15,000 for fixed asset purchase, ₹5,000 for salaries.	L4	3	8
			Or			
	b		Classify and explain the types of budgetary control system in an organization.	L4	3	16
14.	a		Classify and explain the techniques of Inventory control system.	L4	4	16
			Or			
	b	i	Prepare a Suspense Account from the following details: • Opening balance: ₹5,000 (Cr) • Bank overdraft: ₹10,000 (Dr) • Missing transaction entry for purchase of machinery: ₹15,000. • Suspense error correction of ₹7,000 (credited incorrectly).	L4	4	8

		ii	Prepare the Journal entries to clear the Suspense Account.	L3	4	8
15.	a	i	Prepare the Profit & Loss Account based on the following details: • Sales ₹80,000 • Purchases ₹60,000 • Wages ₹10,000 • Rent ₹5,000 • Interest on Loan ₹2,000 • Net Profit ₹10,000 • Depreciation to be charged on machinery ₹4,000 • Repairs and maintenance expenses ₹2,000	L4	5	8
		ii	Prepare the Balance Sheet of the company, incorporating adjustments for depreciation, repairs, and accrued expenses.	L4	5	8
			Or			
	b		Prepare a Final Account and balance sheet for a Manufacturing Company based on the following: • Direct Materials ₹20,000 • Direct Labor ₹12,000 • Factory Overheads ₹10,000 • Administrative Expenses ₹5,000 • Interest on loan ₹3,000 • Depreciation on machinery ₹2,000 • Sales ₹2,50,000	L4	5	16