|  |  |
| --- | --- |
| **SESSION** | **AugUST 2023** |
| **PROGRAM** | **BACHELOR of COMPUTER Application(BCA)** |
| **SEMESTER** | **IV** |
| **course CODE & NAME** | **DCA2204 / Principles of Financial Accounting and Management** |

**Set – 1**

**1. a. Explain the need of Accounting Information.**

**The Need for Accounting Information**

Accounting information serves as the backbone for the financial health and operation of businesses, governments, and non-profit organizations. Understanding its necessity can be gleaned from several perspectives:

**b. Explain Going concern concept and Dual aspect concepts.**

**Ans 1b.**

**Going Concern Concept**

The going concern concept is a fundamental accounting principle that assumes that a business entity will continue its operations indefinitely, and will not liquidate in the foreseeable future. In other words, the entity is expected to carry out its commitments, obligations, and

Its Half solved only

Buy Complete from our online store

<https://smuassignment.in/online-store/>

MUJ Fully solved assignment available for**session July 2023.**

Lowest price guarantee with quality.

Charges**INR 200 only per assignment.**For more information you can get via mail or Whats app also

Mail id is [aapkieducation@gmail.com](mailto:aapkieducation@gmail.com)

Our website www.smuassignment.in

After mail, we will reply you instant or maximum

1 hour.

Otherwise you can also contact on our

whatsapp no 8791490301.

**Q2. Pass journal entries for the following transactions.**

**1) Rajesh started business with cash ₹ 1,00,000.**

**2) Purchased goods from Kohli on credit ₹ 40,000.**

**3) Sold goods to Harbhajanon credit ₹ 60,000.**

**4) Received Dividend ₹1,000 from Tata Motors.**

**5) Paid for Advertisement ₹3,000 to Indian Express 2\*5**

**Ans 2.**

**1) Rajesh started business with cash ₹ 1,00,000.**

This is a capital introduction by the owner, Rajesh. He's bringing in cash into the business. Hence, the business's assets (Cash) will increase and the owner's equity (Capital) will also increase.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date | Particulars | L.F. | Debit (₹) | Credit (₹) |
| xx/xx/xx | Cash A/c Dr. |  | 1,00,000 |  |
|  | To Rajesh's Capital A/c |  |  | 1,00,000 |

**2) Purchased goods from Kohli on credit ₹ 40,000.**

The business has acquired goods, increasing its inventory (assuming it's a merchandise business), but hasn't paid cash, so it owes Kohli money, increasing its liabilities.

**3. a. Explain the objectives of finance function.**

**Ans 3a.**

**Objectives of Finance Function**

The finance function is one of the key departments in any organization, responsible for the management of money and monetary decisions. The primary objectives of the finance function are:

**b. Explain the steps in financial planning.**

**Ans 3b.**

**Steps in Financial Planning**

Financial planning is the process of framing financial policies concerning procurement, investment, and administration of funds. The steps involved are:

**Set – 2**

**1. The following information is in respect of Material**

**Re-order quantity = 3000 units**

**Re-order period = 4 – 6 weeks**

**Maximum Consumption = 800 units per week**

**Normal consumption = 600 units per week**

**Minimum consumption = 500 units per week**

**Emergency Re- order period = 2 weeks**

**Calculate:**

**(a)Re-order level**

**(b) Minimum Level**

**(c) Maximum Level**

**(d) Average stock level**

**(e) Danger Level**

**Ans 1.**

**Let's calculate each of the levels step by step:**

**(a) Re-order Level**

Re-order Level = (Maximum Consumption x Maximum Re-order Period)

Given, Maximum Consumption = 800 units per week Maximum Re-order Period = 6 weeks

Re-order Level = 800 units/week x 6 weeks = 4,800 units

**(b) Minimum Level**

Minimum Level = Re-order Level - (Normal Consumption x Normal Re-order Period)

Normal Re-order Period is not directly provided, but we can take the average of the given

Re-order Period: (4 + 6) weeks / 2 = 5 weeks.

**2. a. Explain the advantages of cash management.**

**Ans 2a.**

**Cash Management: Advantages**

Cash management refers to the strategies and practices utilized by businesses and individuals to handle their financial liquidity and ensure that they can meet short-term obligations while maximizing available cash. Effective cash management is vital for a myriad of reasons, and

**b. Discuss the Behavioral classification of cost.**

**Ans 2b.**

Behaviour means change in cost due to change in output. On the basis of behaviour cost is classified into following categories:

**Fixed Cost**

It is that portion of the total cost which remains constant irrespective of output up to the

**3. Selling price per unit Rs. 40**

**Variable cost per unit Rs. 30**

**Fixed overheads Rs. 40000**

**From the above given data calculate:**

**a. The breakeven sales in Rupees will be.**

**b. If sales are 20% above BEP, determine the net profit 5+5**

**Ans 3.**

**a) To determine the break-even point in terms of units:**

Break-even point in units = Fixed overheads / (Selling price per unit - Variable cost per unit)

**Given:**

Selling price per unit = Rs. 40

Variable cost per unit = Rs. 30

**b) If sales are 20% above the Break-even Point (BEP):**

Additional sales in units = 20% of 4,000 units

Additional sales in units = 0.20 × 4,000 = 800 units

Total sales in units when 20% above BEP = 4,000 + 800 = 4,800 units