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# JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD MCA I Semester Examinations, January - 2020 ACCOUNTING AND FINANCIAL MANAGEMENT

Time: 3hrs Max.Marks:75

Note: This question paper contains two parts A and B.

Part A is compulsory which carries 25 marks. Answer all questions in Part A. Part B consists of 5 Units. Answer any one full question from each unit. Each question carries 10 marks and may have a, b, c as sub questions.

### PART - A

 $5 \times 5$  Marks = 25 What are the different conventions of Accounting? 1.a) [5] Discuss the concept of Operating Leverage. b) [5] Explain different types of Profitability Ratios. c) [5] What is PV ratio in Break even analysis? d) [5] Identify different Methods of raising capital. e) [5]

# PART - B

 $5 \times 10 \text{ Marks} = 50$ 

 Why do companies prepare trial balance? Explain how the balance sheet portrays a company's financial position. [10]

### OR

- Explain the benefits of Profit and Loss Account
  - b) Prepare journal Entries for following Transactions. [4+6]

1st Jan 2018 Business Started with Rs 10000/-

4th Jan 2018 Furniture Purchased Rs 3000/-

10th Jan 2018 Purchased Goods from Mr. Kushal Rs 2000/-

25th Jan 2018 Sold goods for Rs 6000/-.

- 4.a) What is Financial Management? Explain different Goals of Financial Management.
  - b) What are the different Sources of Finance?

[7+3]

- M
- Explain difference between Overcapitalization and Undercapitalization.
  - b) What are the different Objectives of time value of money?

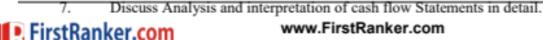
[6+4]

- 6.a) What is a Ratio Analysis? Explain in detail the classification of financial ratios and their use for the finance manager?
  - Following is the Balance Sheet of XYZ Limited as on 31st March 2018 [7+3]

Liabilities	Rs.	Assets	Rs.
Equity Share Capital	24,000	Machinery and Equipment	45,000
Profit & Loss A/c	6,000	Stock	12,000
10% Debentures	15,000	Sundry Debtors	9,000
Sundry Creditors	23,400	Cash at Bank	2,280
Provision for Taxation	600	Prepaid expenses	720

From the above data compute the Current Ratios.

OR



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Discuss the rationale and importance of ratio analysis in the current business scenario.
What do you understand by Liquidity ratios? Discuss their significance. [10]

#### OR

- 9. What is budgeting and explain the advantages and disadvantages of flexible budgets and master budgets? [10]
- What do you understand by Capital Budgeting? Explain different types of Capital Budgeting in Organization? [10]

#### OR

 Calculate the Net Present Value of the following project requiring initial cash outlay of Rs. 20,000 and has a no scarp value after 6 years. The net profit after depreciation and taxes for each year is Rs. 6,000 for 6 years. Assume the present value of an annuity of Re.1 for 6 years at 8% p.a interest is Rs 4.623. [10]

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