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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 × 5 Marks = 25

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

PART - B

5 × 10 Marks = 50

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

OR

3.a) 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]

OR

5.a) 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?
b) 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

7. Discuss Analysis and interpretation of cash flow Statements in detail. [10]

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8. 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]

10. What do you understand by Capital Budgeting? Explain different types of Capital Budgeting in Organization? [10]

OR

11. 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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