



Code No: 811AE

**R13****JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD****MCA I Semester Examinations, January - 2020****ACCOUNTING AND FINANCIAL MANAGEMENT****Time: 3hrs****Max.Marks:60****Note:** This question paper contains two parts A and B.

Part A is compulsory which carries 20 marks. Answer all questions in Part A. Part B consists of 5 Units. Answer any one full question from each unit. Each question carries 8 marks and may have a, b, c as sub questions.

**PART - A****5 × 4 Marks = 20**

- 1.a) What are the different conventions of Accounting? [4]
- b) Discuss the concept of Operating Leverage. [4]
- c) Explain different types of Profitability Ratios. [4]
- d) What is PV ratio in Break even analysis? [4]
- e) Identify different Methods of raising capital. [4]

**PART - B****5 × 8 Marks = 40**

2. Why do companies prepare trial balance? Explain how the balance sheet portrays a company's financial position. [8]

**OR**

- 3.a) Explain the benefits of Profit and Loss Account. [4+4]
- b) Prepare journal Entries for following Transactions.
  - 1<sup>st</sup> Jan 2018 Business Started with Rs 10000/-
  - 4<sup>th</sup> Jan 2018 Furniture Purchased Rs 3000/-
  - 10<sup>th</sup> Jan 2018 Purchased Goods from Mr. Kushal Rs 2000/-
  - 25<sup>th</sup> Jan 2018 Sold goods for Rs 6000/-.

- 4.a) What is Financial Management? Explain different Goals of Financial Management. [6+2]
- b) What are the different Sources of Finance? [6+2]

**OR**

- 5.a) Explain difference between Overcapitalization and Undercapitalization. [5+3]
- b) What are the different Objectives of time value of money? [5+3]

- 6.a) What is a Ratio Analysis? Explain in detail the classification of financial ratios and their use for the finance manager? [6+2]

- b) Following is the Balance Sheet of XYZ Limited as on 31<sup>st</sup> March 2018 [6+2]

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. [8]



8. Discuss the rationale and importance of ratio analysis in the current business scenario. What do you understand by Liquidity ratios? Discuss their significance. [8]

**OR**

9. What is budgeting and explain the advantages and disadvantages of flexible budgets and master budgets? [8]

10. What do you understand by Capital Budgeting? Explain different types of Capital Budgeting in Organization? [8]

**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. [8]

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