

**R19**

Code No: 862AE

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD**MCA II Semester Examinations, July/August - 2021****ACCOUNTANCY AND FINANCIAL MANAGEMENT**

Time: 3 Hours

Max.Marks:75

Answer any five questions
All questions carry equal marks

1. Record the following transactions in the Journal and post them into ledger and prepare a Trail Balance. [15]

March 1st : Neeraj started business with a capital of (Rs.) 80,000March 5th : Bought goods from Kavita on credit (Rs.) 20,000March 7th : Sold goods to Trina (Rs.) 25,000March 9th : Cash purchases (Rs.) 25,000March 10th : Cash sales (Rs.) 15,000March 11th : Goods returned to Kavita (Rs.) 2,000March 12th : Bought furniture for (Rs.) 15,000March 13th : Cash paid to Kavita (Rs.) 12,000March 15th : Goods returned by Trina (Rs.) 3,000March 17th : Goods taken by Neeraj for personal use (Rs.) 3,000March 18th : Cash received from Trina (Rs.) 12,000March 19th : Took loan from Parag (Rs.) 30,000March 20th : Salary paid (Rs.) 5,000March 21st : Bought stationery for (Rs.) 1,000March 22nd : Amount paid to Parag on loan account (Rs.) 18,000March 25th : Interest received (Rs.) 4,000

- 2.a) Define Accounting and explain different principles of Accounting in detail.

- b) Explain the concept of double entry system of accounting with its rules.

[7+8]

3. From the information given below, calculate:

- a) P/V Ratio, b) Fixed expenses, c) Expected profit if sales are budgeted at Rs. 90,000.

[5+5+5]

Year	sales	Profit
2004	1,80,000	30,000
2005	2,60,000	50,000

4. Explain the basic principles of costing and identify difference between Absorption costing and marginal costing. [15]

5. L&T Company produces many products for household use. Company sells products to storekeepers as well as to customers. Bags-RX is one of the products of L&T. It is a cleaning product that is produced, packed in large boxes and then sold to customers and storekeepers.

L&T uses a traditional standard costing system to control costs and has established the following materials, labor and overhead standards to produce one box of Bags-RX are as follows:

- Direct materials; 1.5 pounds @ 12 per pound: 18.00
- Direct labor; 0.6 hours 24 per hour: 14.40
- Variable manufacturing overhead; 0.6 hours @ 5.00: 3.00

During August 2019, company produced and sold 3,000 boxes of Bags-RX. 8,000 pounds of direct materials were purchased @ 11.50 per pound. Out of these 8,000 pounds, 6,000 pounds were used during August. There was no inventory at the beginning of August. 1600 direct labor hours were recorded during the month at a cost of 40,000. The variable manufacturing overhead costs during August totaled 7,200.

From the above information compute:

- a) Direct Labor Rate Variance and
 - b) Direct Labor Efficiency Variance. (Assume that the materials price variance is computed at the time of purchase.) [7+8]
- 6.a) What do you understand by Financial Management? Explain its scope and role.
- b) Identify advantages and limitations of Ratio Analysis. [8+7]
7. Define Cash flow statement and give a mock preparation and interpretation of cash flow statement. [15]
- 8.a) What is the difference between master file and transaction file in computerized accounting system?
- b) Discuss how the introduction documents are used for data collection. [8+7]

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