

Code: 17FHS102

MCA I Semester Supplementary Examinations May/June 2019

ACCOUNTING & FINANCIAL MANAGEMENT

(For students admitted in 2017 & 2018 only)

Time: 3 hours

Max. Marks: 60

Answer all the questions

1 Write short notes on:

- (a) Double entry system of accounting.
- (b) Classification of accounts.

OR2 From the following balances taken from the books of Sam & Co., prepare trading, profit and loss account for the year ending 30th June, 2017 and balance sheet as on that date:

Particulars	Rs.	Particulars	Rs.
Capital	35,000	Carriage outward	110
Building	18,750	Salaries	1,110
Machinery	9,250	Discount allowed	200
Debtors	7,000	Stock (1-7-2016)	16,500
General expenses	800	Bills payable	5,000
Rent paid	3,710	Sales	63,500
Drawings	650	Purchases	46,850
Electric charges	190	Wages	2,500
Carriage inward	850	Cash in hand	1,800
Cash at bank	3,000	Sundry creditors	10,000
Returns inward	450		

Closing stock is valued at Rs.18,210.

- 3 (a) Write the differences between financial accounting and cost accounting.
- (b) What is P/V ratio? And mention its uses in brief.

OR

4 From the following data calculate contribution and P/V ratio.

Sales = 5,00,000

Variable cost = 2,50,000

Fixed cost = 80,000

5 Explain the differences between funds flow statement and cash flow statement.

OR

6 The only current assets possessed by a firm are: Cash Rs.1,05,000, inventories Rs.5,60,000 and debtors Rs.4,20,000. If the current ratio for the firm is 2:1, determine its current liabilities. Also, calculate the firm's quick ratio.

- 7 (a) Brief about over capitalization and under capitalization.
- (b) Explain the importance of leverage.

OR

8 Explain in detail the functions of financial management.

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- 9 Describe the methods of capital budgeting.

OR

- 10 A large sized chemical company is considering investing in a project that costs Rs.4,00,000. The estimated salvage value is zero; tax rate is 55%, the company uses straight line depreciation and the proposed project has cash flows before tax (CFBT) as follows:

Year	CFBT
1	Rs.1,00,000
2	Rs.1,00,000
3	Rs.1,50,000
4	Rs.1,50,000
5	Rs.2,50,000

Determine the following: (i) PBP. (ii) ARR. (iii) IRR. (iv) NPV at 15%. (v) PI at 15%.

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