

Code: 17FHS102

MCA I Semester Supplementary Examinations June/July 2018

**ACCOUNTING & FINANCIAL MANAGEMENT**

(For students admitted in 2017 only)

Time: 3 hours

Max. Marks: 60

Answer all the questions

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- 1 Define accounting. Explain need, functions and attributes of accounting.

**OR**

- 2 From the following trial balance of M/s Ramesh & sons, prepare trading and profit & loss account for the year ended 31<sup>st</sup> March 2017.

Particulars	Debit Rs.	Credit Rs.
Ramesh & sons capital		62,000
Stock (01-04-2016)	23,000	
Purchases & sales	32,000	53,700
Sales and purchase returns	2,000	1,500
Wages	1,800	
Land & building	52,000	
Freight & carriage	2,700	
Trade expenses	1,300	
Advertisement	1,500	
Interest		800
Debtors and creditors	28,000	32,000
Cash in hand	1,200	
Salaries	2,500	
Carriage expenses	2,000	
	1,50,000	1,50,000

Adjustment: Stock on 31<sup>st</sup> March 2017 was valued at Rs.3,000.

- 3 What is cost accounting? Differentiate between cost accounting and financial accounting.

**OR**

- 4
- |                      |                 |
|----------------------|-----------------|
| Sales                | 1,80,000        |
| Less: V.C            | <u>1,44,000</u> |
| Contribution         | 36,000          |
| Less: Fixed overhead | <u>24,000</u>   |
| Net profit           | <u>12,000</u>   |

You are required to calculate:

- (i) P/V ratio, B.E.P, net profit for the sale of Rs.2,70,000 and required sales to earn a profit of Rs.24,000.

- 5 What is fund flow-statement? Examine its uses and significance for management.

**OR**

- 6 The following is the balance sheet of Kalyani electric Co. as on 30<sup>th</sup> June 2017.

Liabilities	Rs.	Assets	Rs.
Equity capital	3,00,000	Land and building	1,50,000
Sundry creditors	48,000	Plant and machinery	85,000
Bills payable	10,000	Short term investments	16,000
Bank overdraft	5,000	Stock-in-trade	50,000
outstanding expenses	2,000	debtors	59,000
		Prepaid expenses	1,000
		Cash in hand	4,000
	3,65,000		3,65,000

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7 Define financial management. What is the role of finance function in an organization?

**OR**

- 8 (a) What do you understand by time value of money?  
(b) Discuss the following: (i) Future value. (ii) Present value of money.

9 What do you understand by capital budgeting? How do you classify different kinds of projects?

**OR**

10 Pay early Ltd is planning a major investment to expand its current manufacturing of digital clocks with initial outlay of Rs.350 lakh. The finance department has projected a following cash flows even the next 7 years considered to be life of the project:

Year	0	1	2	3	4	5	6	7
Cash flows (Rs.lakh)	350	100	150	400	450	300	250	50

- (i) What is the payback period of the project?  
(ii) What is the discounted payback period assuming that discounting is done at 15%?

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