

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD
MCA-I Semester Regular Examinations, February 2010
ACCOUNTING AND FINANCIAL MANAGEMENT

Time: 3hours

Max.Marks:60

Answer any Five questions
All questions carry equal marks

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- 1.a) What is Trial Balance? Explain its objectives and the process of its preparation.
b) Differentiate between Financial Accounting and cost Accounting. How Management Accounting is superior to these two accounting systems.
2. Explain various steps in MIS development. What are the principles and objectives of MIS?
3. Explain the following:
a) Break-Even-Point b) Job Costing c) Absorption costing
d) Semi-variable cost e) Direct cost f) Angle of Incidence
4. Tiny Tot Limited furnishes you the following balance sheet for the years ending on 31.12.2004 and 2005. You are required to prepare
a) Statement of changes in working capital
b) Funds flow statement and c) Cash flow statement

Liabilities	2004	2005	Assets	2004	2005
Equity share capital	10000	10000	Goodwill	1200	1200
General Reserve	1400	1800	Land&Building	7700	7200
Profit and Loss A/C	1600	1300	Investments	1000	1100
Sundry creditors	800	540	Inventories	3000	2340
Outstanding expenses	120	80	Receivables	2000	2220
Provision for Tax	1600	1800	Bank Balance	660	1520
Provision for bad debts	40	60			
	15560	15580		15560	15580

Following additional information has also been supplied to you:

- i) A piece of land and building has been sold for Rs. 400
- ii) Depreciation amounting to Rs. 700/- has been charged on building
- iii) Provision for Taxation has been made for Rs. 1900 during the year.

cont...2

5. From the following information prepare the balance sheet of X company showing the details of working.

Paid up capital Rs. 50,000, Plant and machinery Rs. 125000, Total Sales (p.a) 5,00,000, Gross profit margin 25%, Annual credit sales 80% of net sales, current Ratio=2, Inventory Turnover Ratio = 4, Fixed assets turnover Ratio =2, sales returns=20% of sales, average collection period = 73 days, Bank credit to trade credit 2, cash to inventory 1:15, Total debt to current liabilities = 3

- 6.a) Define budget and budgetary control. Give a description of important budgets
b) Explain various phases that are involved in capital budgeting process.

7. S.V. Limited has furnished you the following data:

Particulars	Budget	Actual
No.of working days	25	27
Production in units	20000	22000
Fixed overheads in Rs	30000	31000

Budgeted fixed overhead rate is Rs. 1-00 per hour. In July the actual hours worked were 31500. Calculate overhead variances and draw the inferences.

8. Pay off limited is producing activities mostly by manual labour and is considering to replace it by a new machine. Prepare a statement of profitability showing the payback period from the following information and NPV at 100% Ignore Tax.

Particulars	Machine A	Machine B
Estimated life of machine	4 years	5 years
Cost of the machine	Rs. 9000/-	Rs. 18000/-
Estimated savings in scrap	Rs. 500/-	Rs. 800/-
Estimated savings in direct wages	Rs. 6000/-	Rs. 8000/-
Additional cost of maintenance	Rs. 800/-	Rs. 1000/-
Additional cost of supervision	Rs. 1200/-	Rs. 1800/-
