



MCA DEGREE EXAMINATIONS: MAY 2015

(Regulation 2009)

First Semester

MASTER OF COMPUTER APPLICATION

MCA505 : Accounting and Financial management

Time: Three Hours

Maximum Marks: 100

Answer all the Questions:-

PART A (10 x 2 = 10 Marks)

1. What is meant by double entry book keeping system?
2. Mention the advantages of cash flow analysis.
3. Calculate Break Even Point for the following information:
Fixed cost is Rs. 1,00,000 and P/V ratio is 30%
4. What is meant by marginal cost?
5. What are the essential features of a budget?
6. Write short notes on Zero Base Budgeting.
7. State the various kinds of capital budgeting decisions.
8. List the merits payback period method.
9. Name the two main approach of dividend.
10. What are the concepts of working capital?

PART B (5x16=80 Marks)

11. a) What is meant by financial accounting? Also brief any four concepts and conventions of Accounting.

(OR)

- b) From the following Trial Balance of RAJA Ltd., prepare Trading, Profit and Loss account and Balance Sheet as on 31.12.2014.

	Rs.	Rs.
Cash in Hand	2,400	
Purchases	2,40,000	
Stock as on 1-1-2014	70,000	
Debtors	1,00,000	
Plant	2,20,000	
Furniture	30,000	
Bills receivable	40,000	
Rent and Taxes	20,000	
Wages	40,000	
Salaries	37,600	
Capital		3,00,000
Bills payable		44,000
Creditors		56,000
Sales		4,00,000
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	8,00,000	8,00,000
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Adjustments:

- (i) Closing inventory as on 31.12.2014 Rs.25,000.
- (ii) Outstanding wages Rs.5,000.
- (iii) Goods withdrawn for personal use Rs.2,000.
- (iv) Depreciation on Plant @ 10% and on Furniture @ 5%.

12. a) “ Costing is classified according to the nature of the operations”. Set out the cost classification with a brief description of the operations covered by each heading.

(OR)

b) Prepare a cost sheet from the following data to find out profit and cost per unit during the month of May 2012:-

Raw Material Consumed	Rs.2,00,000/-
Direct Wages	Rs.80,000/-
Factory Overheads	Rs.20,000/-
Direct Expenses	Rs.50,000/-
Office Overheads	10% on Factory Cost
Selling Overheads	Rs.5/- per unit
Units produced	4000 units
Selling price	Rs.120/- per unit
Unit Sold	3600 units

13. a) What is meant by budget? Also brief various types of budgets are prepared in Indian industries.

(OR)

b) Discuss various advantages and limitations of budgetary control.

14. a) Explain different objectives and functions of financial management.

(OR)

b) The company considering the purchase of a machine. Two machines X and Y are available, each costing Rs.50,000. In comparing the profitability of these machines a discount rate of 10% is to be used. Earnings after taxation are expected to be as follows:

Year	Machine X Cash Inflow Rs.	Machine Y Cash Inflow Rs.
1	15,000	5,000
2	20,000	15,000
3	25,000	20,000
4	15,000	30,000
5	10,000	20,000

You are also given the following data:

Year	1	2	3	4	5
10% PV Factor	0.909	0.826	0.751	0.683	0.621

Evaluate and recommend the project using:

- (i) The payback period
- (ii) The Accounting Rate of Return
- (iii) The Net Present Value @ 10% factor and
- (iv) The Profitability Index

15. a) Explain the various factors that determine the working capital needs of a firm.

(OR)

b) What is meant by dividend policy? Also brief various determinants of dividend policy.
