



**MCA DEGREE EXAMINATIONS: JUNE 2015**

(Regulation 2013)

First Semester

**MASTER OF COMPUTER APPLICATIONS**

P13CAT105: Accounting and Financial Management

**Time: Three Hours**

**Maximum Marks: 100**

**Answer all the Questions:-**

**PART A (10 x 2 = 20 Marks)**

1. Journalize the following transactions:  
2013, Dec 2 Sold goods to MMM Ltd., on credit for Rs.3,000.  
Dec 9 Sold goods to M/s Jai & Co, for Rs. 2,800 on cash.
2. State the importance of Balance sheet.
3. Define the term cost accounting.
4. How to prepare a cash flow statement?
5. What are the functions of budget committee?
6. What is meant by budgetary control?
7. Mention the various kinds of capital budgeting decisions.
8. Find out any two limitations of payback period method.
9. Name the two main approach of dividend.
10. What are the concepts of working capital?

**Answer any FIVE Questions:-**

**PART B (5 x 16 = 80 Marks)**

**Q.No:11 is Compulsory**

11. (i) From the following Trial Balance of BMW Ltd., prepare Trading, Profit and Loss account and Balance Sheet as on 31.12.2013.

|                    | Rs.      | Rs. |
|--------------------|----------|-----|
| Cash in Hand       | 2,400    |     |
| Purchases          | 2,40,000 |     |
| Stock as on 1-1-13 | 70,000   |     |

|                  |          |          |
|------------------|----------|----------|
| Debtors          | 1,00,000 |          |
| Plant            | 1,20,000 |          |
| Furniture        | 30,000   |          |
| Bills receivable | 40,000   |          |
| Rent and Taxes   | 20,000   |          |
| Wages            | 32,000   |          |
| Salaries         | 37,600   |          |
| Capital          |          | 2,00,000 |
| Bills payable    |          | 44,000   |
| Creditors        |          | 48,000   |
| Sales            |          | 4,00,000 |
|                  | -----    | -----    |
|                  | 6,92,000 | 6,92,000 |
|                  | -----    | -----    |

Adjustments:

- (i) Closing inventory as on 31.12.2013 Rs.50,000.
- (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- (iii) Goods withdrawn for personal use Rs.2,000.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. (i) Describe any four accounting concepts and conventions. (8)
- (ii) Compare and Contrast single entry system and double entry system of book keeping. (8)
13. “ 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.
14. What is meant by budget? Also explain various classifications of budgets.
15. The Alpha company is considering to invest in a project. The Project A and B are available, each costing Rs.50,000. In comparing the profitability of these projects a discount rate of 10% is to be used. Earnings after taxation are expected to be as follows:

| Year | Project A<br>Cash Inflow<br>Rs. | Project B<br>Cash Inflow<br>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<br>Factor | 0.909 | 0.826 | 0.751 | 0.683 | 0.621 |

Evaluate and recommend the project using :

The pay back period

The Accounting Rate of Return

The Net Present Value and

The Profitability Index

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

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