

FACULTY OF INFORMATICS
M.C.A. (CBCS) II-Semester (Backlog) (2019-2020 Batch) (Old)
Examination, April 2022

Subject: Accounting and Financial Management

Time: 3 Hours

Max. Marks: 70

(Missing data, if any, may be suitably assumed)

Note: Answer any five questions from the following.
All questions carry equal marks.

1. Prepare a triple column cash book from the following details 1999, June
 1. Cash in hand Rs.1,000,
 2. Cash at bank Rs.10,000
 3. Received cheque from Ram Rs.920
(in full settlement of debt of Rs.950)
 4. Paid for advertising by cheque Rs.500
 5. Cash sales Rs.5000
 6. Paid salaries and wages Rs.1,000
 7. Withdrawn from bank for office use Rs.2,000
 8. Drawn cash for domestic use Rs.1,000
 9. Issued cheque in favour of Ashok and sons Rs.1,500
(discount received Rs.50)
 10. Received cheque from Mohan brothers Rs.3,000
(discount allowed Rs. 100)
 11. Sale of machinery and payment received in cheque Rs.2,500
 12. Bank returns cheque of Mohan brothers , dishonoured
 13. New machinery purchased and cheque issued Rs. 10,000
 14. Paid installation expenses in cash Rs.500.
 15. Bank charges as per pass book Rs.50
2. Explain various types of Subsidiary books. Explain with examples.
3. Explain the guidelines for interpretation of income statements and Balance sheet.
4. From the following information, prepare Balance Sheet of XYZ co.Ltd.as on 31st march,2002.
Working capital Rs. 1,20,000, Reserves and surplus Rs.80,000,Bank overdraft Rs.20,000, Fixed Asset to Proprietary ratio 0.75,Current Ratio is 2.5,Liquid Ratio is 1.5
5. Explain in detail about the adequacy of working capital.
6. Explain in detail about the adequacy of working capital in the procedure for preparing cash flow statements.

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7. From the following details of two machines X and Y, each costing Rs.1, 20,000 and having a life time of 4 years. Cash flows after tax are expected to be as follows: Cost of capital may be assumed to be 8%. Compare the project using NPV and Profitability index

Year	Machine X (Rs.)	Machine Y (Rs.)
1	65,000	20,000
2	50,000	35,000
3	35,000	50,000
4	20,000	80,000

8. (a) What do you mean by WACC? Explain. (4M)
 (b) From the following capital structure of a company, calculate the overall cost of capital using (a) book value weights and (b) market value weights. (10M)

Source	Book value	Market value
Equity share capital(Rs.10 per share)	45,000	90,000
Retained earnings	15,000	--
Preference share capital	10,000	10,000
Debentures	30,000	30,000

The after tax cost of different sources of finance is as follows: Equity share capital;14%, Retained earnings :13%; Preference share capital 10%:Debentures: 5%

- 9 (a) what are the essentials of an effective budgeting?
 (b) Distinguish between fixed and flexible budgeting.
- 10 (a) Calculate the profit-volume ratio and break-even point from the following details
 Fixed cost=Rs.3, 00,000
 Variable cost=Rs.20
 Selling price per unit=Rs.30 (10M)
- (b) What are the limitations of Break-even analysis. (4M)

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