MCS-035

MCA (Revised)
Term-End Examination
December, 2018

02663

MCS-035 : ACCOUNTANCY AND FINANCIAL MANAGEMENT

Time : 3 hours *Maximum Marks : 100*
(Weightage : 75%)

Note : *Question no. 1 is **compulsory** and carries 40 marks. Attempt any **three** questions from the remaining questions which carry 20 marks each.*

1. (a) The following are the comparative balance sheets of XYZ Ltd. as on 31st December, 2012 and 2013 :

Balance Sheet

Liabilities	Year (2012) ₹	Year (2013) ₹	Assets	Year (2012) ₹	Year (2013) ₹
Share Capital	3,50,000	3,70,000	Land	1,00,000	1,50,000
Profit/Loss A/c	50,400	52,800	Stocks	2,46,000	2,13,500
9% Debentures	60,000	30,000	Goodwill	50,000	25,000
Creditors	51,600	59,200	Cash	42,000	35,000
			Bank	3,000	4,000
			Debtors	71,000	84,500
	5,12,000	5,12,000		5,12,000	5,12,000

Other information is :

(i) Dividend declared and paid during the year ₹ 17,500.

(ii) Land was revalued at ₹ 1,50,000 and the profit on revaluation was transferred to Profit/Loss A/c.

Prepare Cash Flow Statement for the period ended 31st December, 2013. *20*

(b) What is Financial Management ? What major decisions are required to be taken in Finance ? Explain. *20*

2. From the following information, calculate Debtor turnover ratio, Average collection period, Creditor turnover ratio and Average payment period : *20*

	₹
Total purchases	4,00,000
Cash purchases	50,000
Purchases returns	20,000
Creditors at the end	60,000
Bills payable at the end	20,000
Debtors at the end	50,000
Bills receivable at the end	30,000
Credit sales	4,50,000
Sales returns	30,000
Reserve for discount on Debtors	5,000
Reserve for discount on Creditors	5,000

Take 365 days in a year.

3. (a) Define Accounting. Explain its functions. *10*

(b) What is working capital ? Discuss the factors affecting working capital. *10*

4. What do you mean by Accounting Standards ? Explain their objectives. Give a brief description of Accounting Standard-3. *20*

5. Explain any ***four*** of the following : *4×5=20*

(a) Trial Balance

(b) Profitability Ratios

(c) Accounting Rate of Return (ARR)

(d) Inventory Control Ratios

(e) Economic Order Quantity (EOQ)