

Code : MC1.5

MCA I Semester Supplementary Examinations, August 2010
ACCOUNTING AND FINANCIAL MANAGEMENT

Time: 3 hours

Max Marks: 60

Answer any FIVE questions
All questions carry equal marks

1. What is meant by financial accounting? How it is useful to a business executive in decision making?
2. Critically evaluate the financial statements, how they are useful to different parties? Explain the essentials of a good financial statements.
3. From the following balance sheet calculate
a. Liquid ratio b. Current ratio c. absolute liquid ratio

Liabilities	Rs	Assets	Rs
Equity share capital	150000	Goodwill	10000
Preference share capital	100000	Plant & Machinery	85000
Reserves	30000	Land & Buildings	120000
Sundry Creditors	20000	Sundry debtors	25000
Bills payable	12000	Closing Stock	20000
Outstanding expenses	4000	Bills receivable	23000
		Cash in Hand	13000
		Cash in Bank	20000
	316000		316000

4. From the following particulars prepare a cost sheet for the year ended 31 Dec 2009.

Stock of finished goods on 01-01-2009	Rs 6000
Stock of Row materials on 01-01-2009	Rs 40000
Work in progress on 01-01-2009	Rs 15000
Purchased Raw materials	Rs 475000
Carriage in words	Rs 12500
Factory Rent Taxes and insurance	Rs 7250
Other production expenses	Rs 43000
Stock of goods on 31-12-2009	Rs 15000
Water	Rs 175000
Work manager salary	Rs 30000
Factory employees salary	Rs 60000
Power expenses	Rs 9500
General expenses	Rs 32500
Sales for the year	Rs 860000
Stock Row materials on 31-12-2009	Rs 50000
Work in progress on 31-12-2009	Rs 10000

5. With following data @ 60% activity, prepare a budget @ 80% and 100% activity.
Production @ 60% capacity 600 units
Material @ 100 Rs per unit
Labour Rs 40 per unit
Expenses Rs 10 per unit
Factory expenses Rs 40000 (40% fixed-60% variable)
Administrative expenses Rs (30000-60% fixed 40% variables)
6. M/S Ambani Brothers is considering the purchase of machines. Two machines each costing Rs 50000 are available. Earnings after taxation are expected to be as under

Year	Machine X (Rs)	Machine Y (Rs)	Discount factor@10%
1 year	15000	5000	.9091
2 nd year	20000	15000	.8264
3 rd year	25000	20000	.7513
4 th year	15000	30000	.6830
5 th year	10000	20000	.6209

7. What are the various budgets that are prepared by a business executives? How they are useful in managerial decision making.
8. What are the general principles of report presentation and explain the form of reporting.
