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Total No. of Questions : 09]

[Total No. of Pages : 03

**MCA (Sem. - 1<sup>st</sup>)**  
**ACCOUNTING AND FINANCIAL MANAGEMENT**  
**SUBJECT CODE : MCA - 103(N2)**

**Paper ID : [B0103]**

[Note : Please fill subject code and paper ID on OMR]

Time : 03 Hours

Maximum Marks : 60

**Instruction to Candidates:**

- 1) Attempt any one question from each Sections - A, B, C & D.
- 2) Section-E is **Compulsory**.
- 3) Use of Non-programmable **Scientific Calculator** is allowed.

**Section - A**

(1 x 10 = 10)

**Q1)** Explain the scope, need and limitations of accounting.

**Q2)** What do you mean by accounting principles? Explain accounting concepts and conventions.

**Section - B**

(1 x 10 = 10)

**Q3)** (a) The balance sheet of Tom & Jerry Manufacturers Ltd. as on 31<sup>st</sup> March, 2007 is as given below :

| Particulars              | 2006 (Rs.) | 2007 (Rs.) |
|--------------------------|------------|------------|
| <b>Liabilities</b>       |            |            |
| Equity share capital     | 20,00,000  | 20,00,000  |
| Reserves and surpluses   | 6,00,000   | 8,60,000   |
| 12% debentures           | 5,00,000   | 7,00,000   |
| Accounts payable         | 2,70,000   | 3,60,000   |
| Bills payable            | 70,000     | 1,50,000   |
| Expenses payable         | 45,000     | 30,000     |
| Accumulated depreciation |            |            |
| – Building               | 2,85,000   | 3,25,000   |
| – Machinery              | 45,000     | 75,000     |

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| Assets                |           |           |
|-----------------------|-----------|-----------|
| Goodwill              | 50,000    | -         |
| Land                  | 8,00,000  | 9,50,000  |
| Building              | 11,85,000 | 14,55,000 |
| Machinery             | 1,95,000  | 2,45,000  |
| Marketable securities | 1,50,000  | 6,50,000  |
| Stock                 | 5,60,000  | 5,30,000  |
| Account receivables   | 4,90,000  | 3,10,000  |
| Bills receivable      | 2,80,000  | 60,000    |
| Pre-paid expenses     | 80,000    | 40,000    |
| Cash at bank          | 25,000    | 1,90,000  |
| Cash in hand          | 1,10,000  | 70,000    |
| Total                 | 34,85,000 | 41,00,000 |

Prepare the schedule for changes in working capital of Tom & Jerry Manufacturers Ltd.

(b) What are the limitations of ratio analysis?

**Q4)** What do you mean by financial management? What are the uses and limitations of ratio analysis?

**Section - C**

(1 x 10 = 10)

**Q5)** What do you mean by marginal costing? What are the assumptions, advantages and disadvantages of marginal costing?

**Q6)** PCT. Ltd. provides following information for the year ended 31<sup>st</sup> March, 2008

Normal capacity - 2000 units

Production and sales - 2000 units

Selling price per unit - Rs. 10

Direct material - Rs. 2,000

Direct wages - Rs. 2,000

Direct expenses - Rs. 1,600

Factory overheads (15% variable) - Rs. 4,000

Office and administration expenses (80% fixed) - Rs. 4,000.

Selling and distribution expenses (75% fixed) - Rs. 4,000.

You are required to calculate the following :

- (a) Profit volume ratio.
- (b) Break even point (in Rs. and units)
- (c) Margin of safety (in Rs. and units)

**Section - D****(1 x 10 = 10)**

**Q7)** Discuss the significance of computers in the preparation of final accounts. Also describe that how computerized accounting is different from manual accounting. What are the main limitations of computerized accounting?

**Q8)** Enlist main modules of computerized accounting. Discuss any three modules in detail.

**Section - E****Q9)****(10 x 2 = 20)**

- a) Double entry system.
- b) Ledger.
- c) Bookkeeping vs. accounting.
- d) Net worth.
- e) Debt service coverage ratio.
- f) Liquid ratio.
- g) Variance analysis.
- h) Standard costing.
- i) Profit and loss account.
- j) Contribution.

