

**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 31<sup>st</sup> December, 2012 and 2013 :

**Balance Sheet**

| Liabilities     | Year     | Year     | Assets   | Year     | Year     |
|-----------------|----------|----------|----------|----------|----------|
|                 | (2012)   | (2013)   |          | (2012)   | (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 31<sup>st</sup> 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)
-