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**MCS-035**

**MASTER OF COMPUTER  
APPLICATIONS (MCA)**

**Term-End Examination**

**December, 2020**

**MCS-035 : ACCOUNTANCY AND FINANCIAL  
MANAGEMENT**

*Time : 3 Hours*

*Maximum Marks : 100*

*Weightage : 75%*

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**Note :** *Question No. 1 is compulsory and carries 40 marks. Attempt any **three** questions from the remaining questions. Each question carries 20 marks.*

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1. (a) Explain the following accounting concepts :  
 $5 \times 4 = 20$
- (i) Business Entity Concept
  - (ii) Continuity Concept
  - (iii) Accrual Concept
  - (iv) Materiality Concept
- (b) From the following Trial Balance of Shri Ram Prasad, prepare Trading and Profit &

Loss A/c for the year ending 31st December, 2018 and Balance Sheet as on that date. The closing stock on 31st December, 2018 was valued at ₹ 25,000 : 20

<b>Debit Balances</b>	<b>Amount (₹)</b>
Opening Stock	20,000
Purchases	75,000
Sales Return	8,000
Freight and Carriage	7,500
Wages	36,500
Salaries	12,000
Repairs	1,200
Trade Expenses	4,000
Rent and Taxes	24,000
Cash in Hand	5,700
Bills Receivable	4,000
Debtors	55,000
Plant and Machinery	1,60,000
Withdrawals	16,600
Bank Deposit	20,000
<b>Total</b>	<b>4,49,500</b>

<b>Credit Balances</b>	<b>Amount (₹)</b>
Sundry Creditors	15,000
Purchases Return	3,000
Sales	2,50,000
Commission	3,300
Capital	1,70,000
Interest on Bank Deposits	2,000
Bills Payable	6,200
<b>Total</b>	<b>4,49,500</b>

2. Explain the meaning of funds flow statement. What are its main objectives ? Explain the main items which are shown in this statement.

20

3. Describe the main categories of ratios and explain the various liquidity ratios which show the short-term solvency position of a firm. 20

4. What do you understand by Investment Appraisal ? Differentiate between the present value method and internal rate of return method for evaluating capital expenditure proposals. 20
5. What do you understand by Receivables Management ? Explain the important dimensions of a firm's credit policy. 20