MCS-035

MASTER OF COMPUTER APPLICATION (MCA)

Term-End Examination

June, 2020

MCS-035 : ACCOUNTANCY AND FINANCIAL MANAGEMENT

Time : 3 Hours   *Maximum Marks : 100*

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

1. (a) Following information is given to you :   25

   (i) Stock turnover ratio 5 times

   (ii) Sales (all credit) ₹ 2,00,000

   (iii) Gross Profit Ratio $\frac{1}{4}$ on cost

   (iv) Current liabilities ₹ 60,000

   (v) Quick ratio 0.75

(vi) Stock at the end is ₹ 5,000 more than the stock in the beginning.

Calculate :

(A) Cost of goods sold

(B) Opening stock and closing stock

(C) Quick assets and current assets

(b) How is a cash flow statement prepared ? Explain it with suitable example.   15

2. What is Accounting ? What are its objectives ? Which parties are interested in accounting information and why ?   20

3. (a) Why is provision for doubtful debts created ? How is it shown in the balance sheet ?   10

(b) Define Financial Management. Explain the functions of financial manager.   10

4. (a) What is present value method of capital budgeting ? How is profitability of projects evaluated under this method ? Explain its limitations.   10

(b) Explain the operating cycle method of computation of working capital. 10

5. (a) Briefly explain Baumol's model for determining the optimum balance of cash.

10

(b) Define Receivable Management. What consideration must be kept in mind while forming a credit policy ? 10