

No. of Printed Pages : 4

**MCS–225**

**MASTER OF COMPUTER  
APPLICATIONS (MCA) (NEW)**

**Term-End Examination**

**June, 2024**

**MCS-225 : ACCOUNTANCY AND  
FINANCIAL MANAGEMENT**

*Time : 3 Hours*

*Maximum Marks : 100*

---

***Note :** Attempt any **five** questions. All questions carry equal marks.*

---

---

1. M/s Pankaj and Sons present you the following : 4×5=20

**Balance Sheet as at 31st March, 2023**

	₹
Equity Share Capital	20,00,000
10% Preference Share Capital	4,00,000
Reserve Fund	16,00,000

**P. T. O.**

9% Debentures		8,00,000
Sundry Creditors		12,00,000
Profit and Loss A/c :		
2021-22	40,000	
2022-23	<u>8,00,000</u>	8,40,000
<b>Total</b>		68,40,000

	₹	
Fixed Assets	35,00,000	
Investments	10,00,000	
Stock	12,00,000	
Sundry Debtors	5,40,000	
Bank Balance	2,80,000	
Preliminary Expenses	3,20,000	
<b>Total</b>		68,40,000

The directors intend to transfer a sum of ₹ 2,00,000 out of the current year profits to provision for tax. You are required to calculate the following :

- (i) Current Ratio
- (ii) Ratio of Fixed Assets to Net Worth

- (iii) Ratio of Debt to Equity capital
  - (iv) Return on owner's Equity
  - (v) Return on Total Assets
2. What do you mean by 'Funds Flow Statement' ? Explain its importance to the management. Discuss in detail the procedure for construction of funds flow analysis. 5+5+10
3. What is Balance Sheet ? Explain the main contents of balance sheet and give its pro forma. 20
4. What is the need for analysis and interpretation of financial statements ? Who are the main users of such analysis and interpretation ? Also state its limitations. 20
5. Explain the different types of investment decisions. Describe the stages in capital budgeting process and discuss the importance of capital investment decisions. 20

6. What is the significance of Working Capital Management ? How will you determine the amount of day to day working capital requirement in a large business ? 20
7. Explain the relevance of cost of capital in long-term investment and financing decisions. Discuss the different problems in its determination. 20
8. Define the following and state how each can be determined : 4×5=20
- (a) Re-order point
  - (b) Minimum inventory level
  - (c) Maximum inventory level
  - (d) Safety inventory level