

01505

**MCA (Revised)**  
**Term-End Examination**  
**December, 2016**

**MCS-035 : ACCOUNTANCY AND FINANCIAL MANAGEMENT***Time : 3 hours**Maximum Marks : 100**(Weightage : 75%)*

**Note :** Question no. 1 is **compulsory** and carries 40 marks. Answer any **three** questions from the rest, which carry 20 marks each.

1. (a) From the following Trial Balance of Sh. Prem Sagar, prepare Trading and Profit & Loss Account for the year ended 31<sup>st</sup> December, 2013 and a Balance Sheet as on that date :

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Dr. Balance	₹	Cr. Balance	₹
Opening Stock	20,000	Sales	2,70,000
Purchases	80,000	Purchases Return	4,000
Sales Return	3,600	Discount	5,200
Carriage Inward	6,000	Sundry Creditors	25,000
Carriage Outward	800	Bills Payable	1,800
Wages	42,000	Capital	75,000
Salaries	27,500		

Plant and Machinery	90,000		
Furniture	8,000		
Sundry Debtors	52,000		
Bills Receivable	2,500		
Cash-in-hand	6,300		
Travelling Expenses	3,700		
Rent and Taxes	8,600		
General Expenses	10,500		
Insurance	1,500		
Drawings	18,000		
	<b>3,81,000</b>		<b>3,81,000</b>

*Adjustments :*

- (i) Stock on 31<sup>st</sup> December was valued at ₹ 24,000.
- (ii) Wages outstanding amounted to ₹ 3,000.
- (iii) Salaries outstanding amounted to ₹ 2,500.
- (iv) Prepaid insurance amounted to ₹ 300.
- (v) Provide depreciation on plant and machinery @ 5% p.a. and on furniture @ 20% p.a.

- (b) From the following particulars calculate the Capital Gearing Ratio : 15

	₹
Equity Share Capital	1,00,000
7% Preference Share Capital	60,000
8% Redeemable Preference Share Capital	40,000
6% Debentures	1,00,000
General Reserve	50,000

2. (a) Explain the (i) Entity Concept and (ii) Going Concern Concept with the help of suitable examples.
- (b) What do you mean by Accounting Standards ? Describe the importance of Accounting Standards. 10+10
3. What is Cash Flow Statement ? What are its objectives ? Explain the important sources and applications of cash. 20
4. What is Capital Budgeting ? Critically examine any three methods of evaluation of capital budgeting. 20

5. Explain any *two* of the following :

10+10

- (a) Factors Determining Working Capital
  - (b) Time Value of Money
  - (c) Motives for Holding Cash
  - (d) Economic Order Quantity
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