MASTER OF COMPUTER APPLICATIONS
MCA (Revised)

Term-End Examination

December, 2021

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) From the trial balance given below and the following additional information, prepare the Trading and Profit & Loss A/c for the year ending 31st March, 2019 and Balance Sheet as on that date.   *20*

    Additional Information :

    (i)   Rent and rates unexpired ₹ 30

    (ii) Depreciate building at 2·5%, machinery at 5% and horse and carts at 7·5%

    (iii) Bad debts amount to ₹ 150

    (iv) Liability for insurance ₹ 20

    (v)   Discount on debtors and creditors at 2·5% is to be provided

Trial Balance as on 31st March, 2019

Dr.   **Cr.**

Particulars	Amount ₹	Particulars	Amount ₹
Purchases	16,000	Sales	30,000
Wages	6,500	Capital	10,655
Discount	1,300	Mortgage and interest to date	3,050
Salaries	2,000	Sundry creditors	2,100
Travelling expenses	500		
Carriage inwards	275		
Insurance	150		
Commission	325		
Rent & Rates	500		
Cash in hand	25		
Cash at bank	2,725		
Repairs	300		
Sundry expenses	55		
Mortgage interest	150		
Building	4,000		
Machinery	1,500		
Horses and carts	500		
Opening Stock (01.04.2018)	5,750		
Sundry debtors	3,250		
Total	**45,805**	**Total**	**45,805**

(b) Explain the following accounting concepts : *20*

   (i) Accrual concept

   (ii) Conservatism concept

   (iii) Materiality concept

   (iv) Periodicity concept

2. What is a Fund Flow Statement ? Describe the various items which are included in Statement of Sources and Application of Funds. *20*

3. Enumerate the steps involved in Capital Budgeting Process. Describe the various types of investment decisions and explain any two techniques used for evaluation of capital budgeting. *20*

4. What is working capital ? Describe the various sources of working capital. *20*

5. What are the Credit Policy Variables ? Describe the effect of each of these variables on the net profit of the firm. *20*

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