

**MASTER OF COMPUTER  
APPLICATIONS (MCA) (NEW)****Term-End Examination****December, 2022****MCS-225 : ACCOUNTANCY AND FINANCIAL  
MANAGEMENT***Time : 3 Hours**Maximum Marks : 100*

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

1. From the following Trial Balance of M/s. Ocean and Island, prepare Trading and Profit & Loss A/c for the year ended 31st March, 2022 and Balance Sheet as at 31st March, 2022 :

	<b>Dr.</b>	<b>Cr.</b>
<b>Particulars</b>	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Capital		5,59,380
Plant and Machinery	3,30,000	
Fixtures and Fittings	10,320	
Fuel and Power for factory	3,252	

Office Salaries	22,470	
Electric expense of factory	2,352	
Travelling exp.	5,550	
Carriage on Sales	5,760	
Cash at bank	13,470	
Cash in hand	408	
Debtors	2,86,800	
Purchases	4,99,740	
Factory wages	59,490	
Rent and Rates	10,590	
Office expenses	16,668	
Carriage on purchase	5,382	
Discount	2,532	
Drawings	40,920	
Stock as on 1/04/2021	1,30,350	
Manufacturing expenses	16,080	
Sales		7,57,062
Sales Return	44,532	

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Creditors		1,36,080
Purchase Returns		19,032
Bills Payable		38,532
Insurance	3,420	
<b>Total</b>	<b>15,10,086</b>	<b>15,10,086</b>

*Adjustments :*

- (i) Stock as on 31st March, 2022 is ` 99,480.
  - (ii) Depreciate plant and machinery by 5% and fixtures and fittings by 10%.
  - (iii) Make a provision on debtors for doubtful debts @  $2\frac{1}{2}$ %.
  - (iv) Outstanding rent and rates ` 4.50.
  - (v) Prepaid insurance ` 420.
  - (vi) Outstanding wages ` 2,100 and Outstanding salaries ` 4,800.
2. Explain the following accounting concepts :
- (i) Dual Aspect (Duality) concept
  - (ii) Matching concept
  - (iii) Concept of Conservatism
  - (iv) Consistency concept

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3. What is a Cash Flow Statement ? Discuss the major classification of cash flows as per AS-3 (Revised).
4. Explain the 'Operating Cycle' used for computing the working capital required. Discuss the factors influencing working capital requirements.
5. What do you understand by Capital Investment ? Explain the steps involved in capital budgeting decision. Discuss the importance of capital investment decisions.
6. Briefly explain the various terms of payments adapted for business transactions. Explain credit policy variables and discuss the quantitative impact of relaxing collection efforts and increasing cash discount on profits.
7. Explain the reasons for holding inventory and discuss the objectives of inventory management. Explain the Economic Order Quantity (EOQ) approach of inventory management.
8. What is an 'Annual Report' of a company ? What kind of information is contained in this report and how is it useful to internal and external users ?