MASTER OF COMPUTER APPLICATIONS (MCA) (REVISED)

Term-End Examination

December, 2023

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) Explain the following accounting concepts :   20
    (i) Continuity concept
    (ii) Accrual concept
    (iii) Consistency concept
    (iv) Cost concept

   (b) From the following Trial Balance of Shri Ramesh, as on 31st March, 2021. You are

required to prepare the Trading and Profit and Loss Account for the year ended 31st March, 2021 and a Balance Sheet as on that date after making the necessary adjustments :

	Dr. (₹)	Cr. (₹)
Sundry Debtors	10,00,000	
Sundry Creditors		4,00,000
Wages	3,10,000	
Carriage Outwards	2,20,000	
Carriage Inwards	1,00,000	
General Expenses	1,40,000	
Discount	40,000	
Bad Debts	20,000	
Motor Car	4,80,000	
Printing and Stationery	30,000	
Furniture and Fittings	2,20,000	
Advertisement	1,70,000	
Insurance	90,000	
Salesman's Commission	1,75,000	
Postage	1,15,000	

Salaries	3,20,000	
Rates and Taxes	50,000	
Drawings	40,000	
Purchases	31,00,000	
Stock on 01-04-2020	5,00,000	
Cash at Bank	1,20,000	
Cash in hand	21,000	
Capital Account		28,86,000
Sales		39,75,000
Total	72,61,000	72,61,000

The following adjustments are to be made :

(i) Stock on 31st March, 2021 was valued at ₹ 14,50,000.

(ii) A provision for Bad and Doubtful Debts are to be created to the extent of 5% of the Sundry Debtors.

(iii) Depreciate furniture and fittings by 10%, Motor Car by 20%.   20

2. What do you understand by 'Profitability Ratios' ? Explain any *four* profitability ratios.   20

3. Clearly explain the meaning and importance of cash flow statement. How is cash flow statement prepared ?   20

4. Describe the various stages of Capital Budgeting Process. Explain the importance of capital budgeting process and discuss the Net Present Value evaluation criteria for capital budgeting.   20

5. What do you mean by Factoring ? Describe its various types.   20