No. of Printed Pages : **4**

MCS-035

11944

MCA (Revised)

Term-End Examination

June, 2013

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 rest which carry **20** marks each.*

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1. (a) From the following Trial Balance of M/s Arjun and Sons as on 31st December, 2007, prepare the Trading and profit and Loss Account and the Balance Sheet. **25**

Particulars	Debit Balance (Rs.)	Credit Balance (Rs.)
Drawings and Capital	18,000	80,000
Purchases and Sales	82,600	1,55,000
Stock (01.01.2007)	42,000	---
Return Outwards	---	1,600
Carriage Inwards	1,200	---
Wages	4,000	---
Power	6,000	---
Machinery	50,000	---
Furniture	14,000	---
Rent	22,000	---
Salary	15,000	---
Insurance	3,600	---
8% Bank Loan	---	25,000
Debtors	20,600	---
Creditors	---	18,900
Cash in Hand	1,500	---
	2,80,500	2,80,500

Adjustments :

(i) Closing Stock Rs. 64, 000.

(ii) Wages Outstanding Rs. 2,400.

(iii) Bad Debts Rs. 600 and Provision for Bad and Doubtful Debts to 5% on debtors.

(iv) Rent is paid for 11 months.

(v) Loan from bank was taken on 1st July, 2007.

(vi) Provide Depreciation on Machinery @10% p.a..

(vii) Provide Manager's Commission at 10% on net profit after charging such commission.

(b) Calculate the 'Payback Period' and 'Net Present Value' for a project which requires an initial outlays of Rs. 10,000 and generates year ending incomes before depreciation and tax of Rs. 6,000, Rs. 3,000, Rs. 2,000, Rs. 5,000 and Rs. 5,000 from the end of the first year to the end of fifth year. The required rate of return is 10% and pays tax 50%. This project has a life of 5 years and depreciated on Straight Line basis. **15**

NPV at 10%	1	2	3	4	5
	.909	.826	.751	.683	.621

2. Discuss the NPV and IRR methods of project evaluation which one is superior and why ? **20**

3. What do you mean by working capital management ? What are the elements of working capital management ? **20**

4. What is the need of holding inventory ? Why Inventory Management is important ? **20**

5. Explain the followings : 20

(a) Relevance of accounting standards.

(b) Difference between cash flow statement and fund flow statement.

(c) What are the factors affecting the cash needs of a firm.

(d) Going concern concept of accounting.
