

**MCA (Revised)**  
**Term-End Examination**  
**June, 2021**

**MCS-035 : ACCOUNTANCY AND FINANCIAL  
MANAGEMENT**

*Time : 3 hours*

*Maximum Marks : 100*  
*(Weightage : 75%)*

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

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1. (a) Explain the following accounting concepts : 4×5=20
- (i) Money Measurement Concept
  - (ii) Cost Concept
  - (iii) Conservatism Concept
  - (iv) Periodicity Concept
- (b) Given below is the Trial Balance of M/s Shyam as on 31<sup>st</sup> December, 2018. You are required to prepare a Trading and Profit and Loss A/c for the year ended 31<sup>st</sup> December, 2018 and Balance Sheet as on that date. Stock at end of the year is valued at ₹ 75,000. 20

Debit Balance	Amount (₹)	Credit Balance	Amount (₹)
Opening Stock	45,000	Sundry Creditors	22,100
Purchases	1,20,000	Return Outwards	2,500
Return Inwards	3,200	Sales	3,50,000
Carriage Inwards	2,400	Capital	2,00,000
Carriage Outwards	1,500	Loan from Bank	24,000
Office Furniture	8,000	Discount Received	2,000
Sundry Debtors	68,000	Commission	1,600
Dock Charges	5,000		
Electric Power	10,000		
Fuel, Gas and Water	12,000		
Bad Debts	1,100		
Advertisement	25,000		
Salary	36,000		
Cash in Hand	8,100		
Cash at Bank	30,000		
Motor Vehicles	58,000		
Motor Repairs	3,000		
Interest on Bank Loan	2,400		
Rent and Insurance	24,500		
Business Premises	1,06,000		
Household Expenses	33,000		
<b>Total</b>	<b>6,02,200</b>	<b>Total</b>	<b>6,02,200</b>

- 2.** Clearly explain the meaning and importance of Funds Flow Statement. How is Funds Flow Statement prepared ? 20
  - 3.** What do you understand by Ratio Analysis ? How would you calculate various Activity Ratios ? Discuss their significance. 20
  - 4.** Critically examine the various methods of evaluating capital expenditure proposals. Discuss their advantages and disadvantages. 20
  - 5.** What are the motives for holding cash ? Explain the Baumol model for optimum cash balance. 20
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