

Code :9FHS103

MCA I Semester Regular & Supplementary Examinations, February 2011
ACCOUNTING & FINANCIAL MANAGEMENT
 (For students admitted in 2009 & 2010 only)

Time: 3 hours

Max Marks: 60

Answer any FIVE questions
 All questions carry equal marks

1. Explain generally accepted accounting principles.
2. From the following trail balance and adjustments prepare profit & loss account and balance sheet of M/S Ramaiah and Co.

	Rs		Rs
Opening stock	1,00,000	Capital	18,00,000
Purchases	12,00,000	Loans	2,00,000
Carriage inwards	8,000	Sales	23,66,000
Carriage outwards	12,000	interest	15,000
Wages	75,000	Commission	5,000
Power and fuel	45,000	RBDD	12,000
Land & Buildings	8,00,000	General Reserve	8,00,000
Plant & Machinery	20,00,000	Bills payable	15,000
Furniture & Fixtures	2,00,000	Creditors	87,000
Vehicles	3,00,000		
Debtors	1,00,000		
Bills receivables	20,000		
Cash	20,000		
Salaries	85,000		
Insurance	19,000		
Sales returns	40,000		
Bad debits	10,000		
Goodwill	2,66,000		
	53,00,000		53,00,000

Adjustments:

- i. closing stock 4,00,000.
 - ii. outstanding wages & salaries Rs. 3000 & Rs 5000 respectively
 - iii. Increase RBDD to Rs 20000 & write off new bad debts of Rs 4000
 - iv. Provide depreciation on plant and machinery @ 15% and furniture & fixtures @ 10%
 - v. Insurance included Rs 10000 paid in advance
 - vi. Transfer 20% of net profit to general reserve
3. What is leverage? What are the types of leverage?
 4. What are the advantages & disadvantages of over capitalization?
 5. What is ratio? What are the types of ratios?
 6. Discuss funds flow statement vs cash flow statement.
 7. What is profit volume ratio? How a P/L ratio can be improved? Find out break-even point in Rs and in units with the following data.
 A product is sold at a price of Rs 120 per unit and variable cost per unit is Rs 80/-. The fixed expenses of the business are Rs 8000 per year.
 8. Calculate NPV from the following information.

Particulars	Project A	Project B
Outlay	95000	90000
CF AT		
1	30000	26000
2	35000	26000
3	36000	26000
4	32000	26000
5	30000	26000
Cost of capital	10%	12%

Which project is feasible?
