

(8 pages)

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M.C.A. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2012.

Third Semester

Computer Applications

FINANCIAL MANAGEMENT AND ACCOUNTING

(For those who joined in July 2008 and afterwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

1. Define fixed assets.
2. Define Total Assets.
3. List the objectives of financial management.
4. List the concept which is not a working capital.
5. On which basis financial statement are prepared.

6. List the one that financial statement does not include.
7. Average payment period is 2.4 months, hence creditors turnover will be.
8. Define contribution.
9. Define Information.
10. List the uses of EDP.

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).

11. (a) Journalise the following transaction in Tmt. Uma.

	Rs.
2008 Sep 1 Started business with	50,000
3 Opened a current account with	15,000
10 Bought goods from Tmt. Latha	40,000
15 Paid to Tmt. Latha	25,000
18 Sold goods to Tmt. Kanniga	36,000
25 Tmt. Kanniga settled her account	

Or

Page 2

Code No. : 7479

(b) Prepare the ledger in the books of Ravi.

2008 April 1 Raja invested Rs.
2,00,000 cash in the
business

5 Purchased building for
Rs. 70,000

7 Purchased goods for Rs.
50,000

10 Sold goods for Rs. 60,000

15 Withdraw cash from
bank Rs. 10,000

25 Paid Electric charges Rs.
300

30 Paid salary Rs. 1,500

12. (a) Explain the importance of financial
management.

Or

(b) State the scope of financial management.

13. (a) Calculate Current Ratio and Liquid Ratio
from the following information.

	Rs.		Rs.
Cash	8,000	Debtors	1,42,000
Closing Stock	1,80,000	Bills payable	27,000
Creditors	50,000	Outstanding expenses	15,000
Tax Payable	75,000		

Or

(b) From the following, calculate the proprietary
ratio.

	Rs.		Rs.
Preference share capital	1,00,000	Fixed assets	2,00,000
Equity share capital	2,00,000	Current assets	1,00,000
Reserves and Surplus	50,000	Goodwill	50,000
Debentures	1,00,000	Investments	1,50,000
Creditors	50,000		
	5,00,000		5,00,000

14. (a) Explain the advantages of ratio analysis.

Or

(b) Calculate funds from operation from the
following.

P & L Account			
Particulars	Rs.	Particulars	Rs.
To Expenses Paid	3,00,000	By Gross Profit	4,50,000
To Depreciation	70,000	By Gain on sale of land	60,000
To loss on sale of Machine	4,000		
To Discount	200		
To Goodwill	20,000		
To Net Profit	1,15,800		
	<u>5,10,000</u>		<u>5,10,000</u>

15. (a) Explain Information Technology in detail.

Or

- (b) Explain some of the components of MIS.

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).

16. (a) From the following Trial balance of Mr. Raja Ltd. Prepare Final accounts for the year ending 31-12-2008.

Stock as on 31-12-2008 is Rs. 62000

Particulars	Debit	Credit
	Rs.	Rs.
Cash in hand	2250	
Cash at bank	17750	
Stock	36000	
Purchases	120000	
Carriage inwards	4200	
Factory rent	6000	
Return outwards		2000
Sales		272000
Debtors	28000	
Creditors		33000

Wages	12000	
Rent	6000	
Salaries	8600	
Bills Receivable	4000	
Bills Payable		3000
Bank Loan		20000
Insurance	1200	
Advertisement	800	
Discount	1400	
Reserve Fund		2400
Furniture	6000	
Machinery	40000	
Business Premises	50000	
Bad Debts	400	
Drawings	12,000	
Income tax	4000	
Return inwards	6000	
Capital		31800
Loan on mortgage		2400
	<u>366600</u>	<u>366600</u>

Or

- (b) "We can assume that there is no error in the accounts when the Trial Balance is tallied". Analyze it.

17. (a) Briefly explain Finance functions related to Financial Manager.

Or

- (b) Describe the importance of Financial Management.

18. (a) Explain the Steps involved in Comparative statements.

Or

- (b) Describe the procedures involved in common size statements.

19. (a) Distinguish between Funds Flow Statements and Balance Sheet.

Or

- (b) "Revenue expenditure reduces working capital where as the changing of depreciation does not". Explain.

20. (a) Distinguish between Information Technology and MIS.

Or

- (b) State the uses of EDP.
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