Reg. No. : ....

Code No. : 9049 **Sub. Code : HCAM 31**

M.C.A. (CBCS) DEGREE EXAMINATION, NOVEMBER 2016.

Third Semester

Computer Applications

FINANCIAL MANAGEMENT AND ACCOUNTING

(For those who joined in July 2012 – 2015)

Time : Three hours Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL the questions.

Choose the correct answer :

1. Management accounting involves

   (a) Preparation of financial statements

   (b) Analysis and interpretation of data

   (c) Recording of transactions

   (d) All the above

20. (a) Do you think that these are certain prerequisites to implement a successful management information system in an organization? Justify your answer.

Or

(b) Explain the basic structure and applications of computers in accounting.

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2. Revenue from sale of products ordinarily is reputed as part of the earning in the period

(a) The sale is made

(b) The cash is collected

(c) The products are manufactured

(d) The planning takes place

3. Finance function are discharged by

(a) General manager

(b) Financial officer

(c) Financial manager

(d) Financial controller

4. ———— refers to make up a firm's capitalization.

(a) Cost of capital

(b) Capital structure

(c) Capital requirements

(d) Choice of capital

5. The terms "current assets" does not include

(a) Payments in advance

(b) Bills receivable

(c) Long-term deferred charges

(d) All the above

6. Observing changes in the financial variables across the years is

(a) Vertical analysis

(b) Horizontal analysis

(c) Inter-firm comparison

(d) All the above

7. The statistical yardstick that provides a measure of the relationship between two accounting figures is a

(a) Current ratio

(b) Accounting ratio

(c) Capital output ratio

(d) All the above

8. Long-term solvency is indicated by

(a) Current ratio

(b) Debt/equity ratio

(c) Net profit ratio

(d) All the above

9. A computer is

   (a) An advanced version of calculator

   (b) A variable machine capable of performing any logical or mathematical operation

   (c) An operating system

   (d) All the above

10. Computer program established a communication link between

   (a) Machine and the user

   (b) Machine and the programmer

   (c) The user and the programmer

   (d) All the above

PART B — (5 × 5 = 25 marks)

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

Each answer should not exceed 250 words.

11. (a) What are the objectives of accounting?

Or

(b) Journalize the following transaction in the books of Sri. T.N of Coimbatore.

		Rs.
1987 October 1	Commenced business worth	50,000
1987 October 3	Purchased goods for cash at 5% trade discount	20,000

1987 October 4	Paid carriage	
1987 October 8	Purchased machinery for	30,000
1987 October 10	Sold goods to Madan on account for	15,000

12. (a) What is profit maximization? How is it different from wealth maximization?

Or

(b) Define financial management and the scope of financial management.

13. (a) Explain the meaning of financial statement.

Or

(b) What are the types of financial statement analysis? Add a note on the limitations of financial analysis.

14. (a) What does ratio analysis mean? Explain the managerial uses of ratio analysis.

Or

(b) Calculate the following ratios from the balance sheet given below :

   (i) Debt-equity ratio

   (ii) Liquidity ratio

(iii) Fixed assets to current assets

(iv) Fixed assets turn over

Liabilities	Rs.	Assets	Rs.
Equity share of Rs 10 each	1,00,000	Good will	60,000
Reserve	20,000	Fixed assets (cost)	1,40,000
Profit and loss account	30,000	Stock	30,000
Secured loans	80,000	Sundry debtors	30,000
Sundry creditors	50,000	Advances	10,000
Provision for taxation	20,000	Cash balance	30,000
	3,00,000		3,00,000

The sales for the year was Rs. 5,60,000.

15. (a) Explain the advantages and limitations of electronic data processing.

Or

(b) Explain the various features of management information system.

PART C — (5 × 8 = 40 marks)

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

Each answer should not exceed 600 words.

16. (a) Explain various accounting concepts briefly.

Or

(b) From the following trial Balance of Ravi, prepare Trading and profit and loss account for the year ended December 31st 1993 and a balance sheet as on that date

Trial Balance

Particulars	Debit Rs.	Credit Rs.
Capital		40,000
Sales		25,000
Purchases	15,000	
Salaries	2,000	
Rent	1,500	
Insurance	300	
Drawing	5,000	
Machinery	28,000	
Bank balance	4,500	
Cash	2,000	
Stock 1.1.1993	5,200	
Debtors	2,500	
Creditors		1,000
	66,000	66,000

Adjustment required :

		Rs.
A	Stock 31.12.1993	4,900
B	Salaries unpaid	300
C	Rent paid in advance	200
D	Insurance prpaid	90

17. (a) Write briefly the relationship between financial management and other areas of management.

Or

(b) Describe the role and responsibility of a financial manager in the changing scenario of business.

18. (a) Describe the different types of financial analysis.

Or

(b) Prepare a comparative position statement from the following data

Liabilities	I year	II year	Assets	I year	II year
Sundry creditors	10,000	12,500	Cash in hand	7,300	10,000
Bills payable	9,000	11,000	Cash at bank	14,000	15,000
Bank over draft	7,500	0	Stock	44,700	41,000

Liabilities	I year	II year	Assets	I year	II year
Long term loans	1,25,000	1,25,000	Accounts receivable	39,000	25,000
Debentures	25,000	25,000	Sundry debtors	52,500	50,000
Preference capital	50,000	50,000	Furniture	11,500	15,000
Equity capital	1,10,000	1,75,000	Buildings	70,000	1,00,000
Undistributed profit	12,500	22,500	land	1,10,000	1,65,000
	3,49,000	4,21,000		3,49,000	4,21,000

19. (a) What are the difference between fund flow statement and cash flow statement?

Or

(b) From the following income statement of Excel Ltd., compare the profitability ratios

Particulars	Rs.	Particulars	Rs.
To opening stock	2,00,000	By sales	16,00,000
To purchases	12,00,000	By closing stock	3,20,000
To gross profit c/d	5,20,000		
	19,20,000		19,20,000
To administration expenses	1,20,000	By gross profit b/d	5,20,000
To selling expenses	80,000	By dividend	4,000
To finance expenses	40,000		