

- (iii) Inventors turnover ratio
(iv) Debtors turnover ratio and
(v) Creditors turnover ratio

	Rs.		Rs.
Opening stock	47,000	Stocking debtors	42,000
Closing stock	53,000	Cash	10,000
Sales less return	2,52,000	Bank	8,000
Provision for bad debts	2,000	Bills receivable	15,000
Sundry creditors	32,000	Provision for taxation	15,000
Loose tools	46,000	Bills payable	29,000
Purchases	1,80,000	Marketable securities	8,000

20. (a) What are the features of a computer? Explain the various methods of data Processing.

Or

- (b) Define the term management information system. Why is management information system looked Upon as a strategic need of management today?

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M.C.A. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2015.

Third Semester

Computer Applications – Main

FINANCIAL MANAGEMENT AND ACCOUNTING

(For those who joined in July 2012 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL the questions.

Choose the correct answer :

- The prime function of accounting is to:
 - Record economic data
 - Provide the informational basis for action
 - Classical and record business transactions
 - Attain non- economic goals.
- Management accounting provides invaluable services to management in performing
 - All management functions
 - Coordination functions
 - Controlling function
 - All the above.



3. Financial management is
- (a) An integral part of overall management
 - (b) Operating function
 - (c) A staff function
 - (d) Line function
4. When a firm liquidity increases, _____ decreases.
- (a) Capitalization
 - (b) Profitability
 - (c) Sale ability
 - (d) Worth ability
5. The three most useful general purpose financial statements for management are:
- (a) Income statement, statement of retained earnings of balance sheet
 - (b) Income statement, balance sheet and statement of changes in financial position
 - (c) Income statement of retained earnings and funds flow statement
 - (d) Statement of retained earnings, balance sheet and funds flow statements.

6. The following is a recorded sheet:
- (a) Market value of investments
 - (b) Debtors
 - (c) Replacement cost of machinery
 - (d) All the above
7. Ratio of 'Net Sales' to net working capital,
- (a) Working capital turnover ratio
 - (b) Profitability ratio
 - (c) Liquidity ratio
 - (d) All the above
8. Debt equity ratio is:
- (a) Liquidity ratio
 - (b) Solvency ratio
 - (c) Profitability ratio
 - (d) All the above
9. Information is:
- (a) Organized and meaningful collection of data
 - (b) Symbolic representation of an event
 - (c) Anything which is important
 - (d) All the above



10. One Punched card can hold data upto
 (a) 79 characters (b) 80 characters
 (c) 12 characters (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) Explain the basic accounting concepts and fundamental accounting conventions.

Or

- (b) Journalize the following transaction in Balan's books 1985, Jan

- (i) Balan started business by investing cash Rs. 50,000
- (ii) Purchased buildings for Rs. 10,000
- (iii) Purchased goods for cash Rs. 3,000
- (iv) Purchased goods on weight Rs. 2,500
- (v) Paid cartage Rs. 20

12. (a) What are the three important decisions that a financial manager has to take for maximizing the value of the shareholders?

Or

- (b) Explain the objectives of financial management in the modern day usage.

13. (a) Explain the objectives, nature and limitations of financial statements.

Or

- (b) Explain the usefulness of trend percentages in the interpretation of financial performance of a company.

14. (a) Examine the managerial uses of fund flow statement.

Or

- (b) From the following balance sheet as on 31st December 1993 and 1994 prepare a schedule of changes in working capital for 1994

	December 31	
	1993	1994
	Rs.	Rs.
Assets :		
Cash	36,000	47,000
Debtors	1,20,000	1,15,000
Stock-in-trade	80,000	90,000
Land	50,000	66,000
Capital and liabilities	2,86,000	3,18,000
Share capital	2,00,000	2,50,000
Travel credits	76,000	45,000
Retained earnings	10,000	23,000
	<u>2,86,000</u>	<u>3,18,000</u>



15. (a) Write a note on classification of accounting package.

Or

- (b) Explain the role of MIS in mechanized accounting 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 the basic accounting concepts which guide the formulation of generally accepted accounting principle in relation to balance sheets.

Or

- (b) Prepare a trading and project loss account for the year ended 31st December 1995 and a balance sheet as on the date from the following trial balance of Mr. Akilan.

	Rs.		Rs.
Drawing	45,000	Capital	1,60,000
Goodwill	90,000	Bills payable	35,000
Buildings	60,000	Creditors	70,000
Machinery	40,000	Purchase returns	2,650

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Bills receivable	6,000	Sales	2,18,000
Opening stock	40,000		
Purchases	51,000		
Wages	26,000		
Carriage outwards	500		
Inwards	1,000		
Salaries	35,000		
Rent	3,000		
Discounts	1,100		
Reports	2,300		
Sale	25,000		
Cash	1,600		
Debtors	45,000		
Bad debtors	1,200		
Sales returned	2,000		
Furniture	6,000		
Advertisement	3,500		
General	450		
	<u>4,85,650</u>		<u>4,85,650</u>

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Adjustments :

- (i) Closing stock was Rs. 35,000
- (ii) Depreciate machinery at finites by 10%
- (iii) Outstanding wage Rs. 1,500
- (iv) Prepaid advertise Rs. 500

17. (a) Explain the role and scope of the finance function in business distinguishing it from the accounting function.

Or

- (b) What are the main functions of modern financial manager? How do they differ from those of the traditional finance manager?

18. (a) Describe the significance of fund flow statement.

Or

- (b) Convert the following income statement into common size statement and interpret the changes in 2002 in the light of conditions in 2001.

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Particulars

2001 Rs. 2002 Rs.

Gross sales	30,600	36,720
Less : returns	600	700
Net sales	30,000	36,020
Less cost of goods sale	18,200	20, 250
Gross profit	11,800	15,770
Less : operating express		
Advertising express	3,000	3,400
Selling express	6,000	6,600
Total expenses	9,000	10,000
Operating profit	2,800	5,770
Add non operating income	300	400
Total income	3,100	6,170
Less : Non operating express	400	600
Net profit	2,700	5,500

19. (a) What are the limitations of ratio analysis?

Or

- (b) From the following particulars expected from the financial statement of ABC and Co. compare
- (i) Current ratio
 - (ii) liquid ratio

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