

**Reg. No:**

**SIDDHARTH INSTITUTE OF ENGINEERING & TECHNOLOGY:: PUTTUR**  
(AUTONOMOUS)

**MCA I Year II Semester Regular Examinations October-2020**  
**ACCOUNTING & FINANCIAL MANAGEMENT**

Time: 3 hours

Max. Marks: 60

(Answer all Five Units 5 x 12 = 60 Marks)

**UNIT-I**

- 1 a What is accounting? Explain its objectives and principles. **6M**  
 b Prepare journal and post them into ledger: **6M**
- |            |                                    |         |
|------------|------------------------------------|---------|
| 01.01.2002 | James started business with cash   | Rs 5000 |
| 01.01.2002 | Furniture                          | Rs 2000 |
| 01.01.2002 | Machinery                          | Rs 3000 |
| 01.01.2002 | Purchased goods for cash           | Rs 5000 |
| 03.01.2002 | Goods purchased from Sundaram & Co | Rs 1000 |
| 04.01.2002 | Sold goods to Rama Rao             | Rs 5000 |

**OR**

- 2 a What is dual concept of accounting and explain the accounting equation with suitable Example transaction? **6M**  
 b Classify the types of accounts and write accounting rules with example transaction for each type of account. **6M**

**UNIT-II**

- 3 a Define scope of financial management. What role should financial manager play in modern enterprise? **6M**  
 b Discuss in detail the concept of Leverages. **6M**

**OR**

- 4 a Describe the objectives of financial management. **6M**  
 b What is cost of capital? How do you measure the cost of capital? **6M**

**UNIT-III**

- 5 a Describe the significance and interpretation of ratios. **6M**  
 b Sales Rs.1000000 Cost of goods sold Rs.500000, other operating expenses Rs.250000. Find out Gross profit Ratio and Net profit Ratio. **6M**

**OR**

- 6 a What is Ratio analysis? Explain its objectives. **6M**  
 b How do you classify Ratio? Explain with suitable examples. **6M**

**UNIT-IV**

- 7 a Explain the uses of break even analysis in profit planning. **6M**  
 b If selling price is reduced to Rs.90, how much is the margin of safety is reduced? **6M**  
 Total sales Rs.3, 60,000  
 Selling price per unit Rs.100  
 Variable cost per unit Rs.50  
 Fixed cost Rs.1, 00,000.

**OR**

- 8 a What is Funds Flow statement? Discuss the significance of funds flow statement. **6M**  
 b What are the differences between funds flow and cash flow statements? **6M**

**UNIT-V**

- 9 a** What are the techniques of capital budgeting? **6M**  
**b** The cost of the project is Rs. 50000 which has the expected life of 5 years to cash inflow of 5 years. Determine the payback period from the following cash inflows: **6M**

Year-1 - Rs 24000,  
Year-2 - Rs 26000,  
Year-3 - Rs 20000,  
Year-4 - Rs 17000,  
Year-5 - Rs16000

**OR**

- 10 a** Explain the significance of capital budgeting. **6M**  
**b** What are the differences between NPV and IRR methods of capital budgeting? **6M**

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