

Code No: 841AE

**R17**

**JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD**  
**MCA I Semester Examinations, April/May - 2019**  
**ACCOUNTING AND FINANCIAL MANAGEMENT**

**Time: 3hrs**

**Max.Marks:75**

**Note:** This question paper contains two parts A and B.

Part A is compulsory which carries 25 marks. Answer all questions in Part A. Part B consists of 5 Units. Answer any one full question from each unit. Each question carries 10 marks and may have a, b, c as sub questions.

**PART - A**

**5 × 5 Marks = 25**

- 1.a) What are the basic books of accounts? [5]
- b) Explain about operating leverage. [5]
- c) Write about cash flow statement. [5]
- d) What is sales budget? [5]
- e) Write about NPV. [5]

**PART - B**

**5 × 10 Marks = 50**

- 2.a) What are principles of accounting?
- b) Write the format of trail balance. [5+5]

**OR**

3. Explain the types of financial statements in financial accounts with illustrations. [10]

- 4.a) Explain the scope of financial management.
- b) What is the time value of money? [5+5]

**OR**

- 5.a) What is cost of capital? Illustrate it.
- b) ABC company's share is currently selling for Rs. 134. Current dividend is Rs. 3.5 per share and is expected to grow at 8 per cent next 4 years and that at a rate of 15 per cent for every year. Calculate company's cost of equity. [5+5]

6. What are the tools and techniques for financial statement analysis? [10]

**OR**

7. From the following balance sheet of Mr.Raj prepare a schedule of changes in working capital and a funds flow statement. [10]

<b>Liabilities</b>	<b>2017</b>	<b>2018</b>	<b>Assets</b>	<b>2017</b>	<b>2018</b>
Capital	63,000	1,00,000	Cash	15,000	20,000
Long-term borrowings	60,000	70,000	Debtors	30,000	28,000
Trade creditors	42,000	39,000	Stock-in-trade	55,000	72,000
Bank overdraft	35,000	25,000	Land and buildings	80,000	1,00,000
Outstanding expenses	5,000	6,000	Furniture	25,000	20,000
	<b>2,05,000</b>	<b>2,40,000</b>		<b>2,05,000</b>	<b>2,40,000</b>

8. A Corporation Ltd., has been prepared the following budget estimates for the year 2019-20: sales units 15,000; fixed expenses Rs.34,000; sales Rs.1,50,000; variable cost Rs.6. per unit, you are required to prepare BEP both value and volume and margin of safety. [10]

**OR**

9. What is BEP analysis? Explain its assumptions and applications. [10]

10. A project will cost Rs 50,000 today. It is expected to generate cash flows of Rs 30,000, Rs 25,000 and Rs 15,000 each year through year 1 to 3. The discount rate is 18 percent. Calculate the project's NPV. [10]

**OR**

11. Define Capital Budgeting? Explain Discounting Cash Flow Techniques? [10]

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