

Code No: 862AE

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD
MCA I Semester Examinations, October/November - 2022
ACCOUNTANCY AND FINANCIAL MANAGEMENT

Time: 3 Hours

Max.Marks:75

Answer any five questions
All questions carry equal marks

- 1.a) Explain the types of accounts and the rules of accounting.
 b) Distinguish between Single entry and double entry of bookkeeping. [8+7]
2. From the following prepare Trading A/c, Profit & Loss A/c, Balance Sheet as on 31st December 2015.

Particulars	Debit Balances (Rs.)	Credit Balances (Rs.)
Opening Stock	10,000	---
Cash and Bank	4,000	25,000
Purchases and Sales	70,000	90,000
Returns	3,000	4,000
Debtors and Creditorts	30,000	21,000
Buildings	30,000	---
Capital	---	30,000
Furniture and Fittings	7,000	
Bad Debts Reserve	---	2,000
Petty Cash	200	---
Carriage Inwards	800	---
Salaries	11,000	---
Interest Charged by the Bank	500	---
Sundry Trade Expenses	6,000	---
Insurance Premium paid for the year	1,000	---
Telephone Charges	500	---
Commission	---	2,000
	1,74,000	1,74,000

Additional Information:

- a) Closing Stock Rs.15,000.
- b) Buildings, Furniture and Fittings are to depreciated by 10% and 20%
- c) Bad Debts Rs.1,000 are to be written off and a reserve of 5% is to be kept on debtors.
- d) Commission received in advance Rs.1,000. [15]

- 3.a) Compare and contrast Wealth maximization and Profit Maximization.
- b) Explain the advantages and limitations of Funds flow statement. [7+8]

4. Following in Balance Sheet of ABC Company as on 31.12.2021

Liabilities	Rs.	Assets	Rs.
Equity Share Capital	30,000	Fixed Assets	38,000
Capital Reserve	10,000	Goodwill	12,000
8% loan on Mortgage	16,000	Debtors	6,000
Trade Creditors	8,000	Stock	6,000
Bank Overdraft	6,000	Cash in Hand	6,000
		Investments	2,000
Total	70,000	Total	70,000

Sales amounted to Rs.1,50,000.

Calculate Ratios for (a) Liquidity ratios, and (b) Solvency of the Company. [7+8]

- 5.a) Explain the managerial implications of BEP and limitations.
- b) Discuss about absorption costing. Explain the limitations. [8+7]

6.a) From the following particulars, calculate : (i) P / V Ratio Solution: (ii) Profit when sales are Rs. 40,000, and (iii) New break-even point if selling price is reduced by 10% Fixed cost = Rs. 8,000, Break-even point = Rs. 20,000, Variable cost = Rs. 60 per unit.

- b) Discuss the relation between Angle of Incidence, Break-Even Sales and Margin of Safety Sales. [9+6]

7. Standard mix for production of "X" Material A: 60 tonnes @ Rs. 5 per tone, Material B: 40 tonnes @ Rs. 10 per tonne. Actual mixture being: Material A: 80 tonnes @ Rs. 4 per tonne; Material B: 70 tonnes @ Rs. 8 per tonne. Calculate (a) Material Price Variance (b) Material sub-usage Variance, and (c) Material Mix Variance. [15]

- 8.a) Discuss the different documents used for data collection.
- b) Explain about transaction and master files with suitable examples. [7+8]

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