

**R20**

Code No: 871AE

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD

MCA I Semester Examinations, October/November - 2022

ACCOUNTING AND FINANCIAL MANAGEMENT

Time: 3 Hours

Max.Marks:75

**Answer any five questions**  
**All questions carry equal marks**

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1. From the following balances taken from the ledger of Ranganathan, Prepare a Trial Balance. [15]

Particulars	Rs.
Purchases	15,75,000
Sales	21,00,000
Returns inwards	60,000
Carriage inwards	5,000
Freight outwards	6,500
Salaries and wages	1,57,200
Rent and taxes	52,600
Travelling expenses	38,700
Opening stock	12,00,000
Discount paid	22,500
Discount received	11,000
Commission paid	10,800
Bank account	6,14,700
Sundry debtors	6,68,000
Trade creditors	5,00,000
Capital account	28,50,000
Drawing account	4,50,000
Bills receivable	8,00,000
Bills payable	2,00,000

- 2.a) How does statement of changes in financial position differ from a balance sheet?  
b) What are the advantages of double entry system of accounting? [7+8]
- 3.a) Explain why wealth maximization concept is superior to profit maximization concept.  
b) Assume a rate of interest of 10 percent. We have a debt to pay and are given a choice of paying Rs.1000 now or some amount X five years from now. What is the minimum amount that X can be for us to be willing to defer payment for five years? [9+6]

4.a) Rathi Alloys International has the following information for the year ended 31<sup>st</sup> April.

Cash sales	Rs. 80,00,000
Credit sales	Rs.2,00,00,000
Return inward	Rs. 10,00,000
Opening stock	Rs. 25,00,000
Closing stock	Rs. 30,00,000
Gross profit ratio	25%

Find out inventory turnover ratio.

b) What is undercapitalization? What are its demerits? [8+7]

5.a) Briefly explain the differences between financial accounting and cost accounting.

b) The following information is given:

Sales=Rs.20,00,000. Variable cost=Rs.12,00,000. Fixed cost=Rs.3,00,000.

Calculate: i) Breakeven point and ii) New breakeven point. If the selling price is reduced by 10%. [7+8]

6.a) What is meant by absorption of overhead? What are the methods for absorption of overheads?

b) The following data is given:

Fixed expenses	Rs.20,00,000
Variable expenses per unit	Rs. 20
Selling price per unit	Rs. 30

Indicate the number of units to be manufactured and sold to i) Break-even and ii) To earn a profit of Rs. 20,000. [7+8]

7. For production of 10,000 electrical iron boxes, the following are budgeted expenses:

Particulars	Per unit Rs.
Direct material	600
Direct labour	300
Variable overhead	250
Fixed overhead (Rs.15,00,000)	150
Variable expenses (direct)	50
Selling expenses (10% fixed)	150
Administration expenses (Rs.5,00,000) at all levels of production	50
Distribution expenses (20% fixed)	50
Total cost of sales per unit	1,600

Prepare a budget for production of 8000 iron boxes. [15]

8.a) What is the importance of right input of data in computerized accounting system?

b) Briefly point out the main advantages of computerized system of accounting. [7+8]

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