

Code No: 871AE

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD
MCA I Semester Examinations, March - 2023
ACCOUNTING AND FINANCIAL MANAGEMENT

Time: 3 Hours

Max.Marks:75

- Note:** i) Question paper consists of Part A, Part B.
 ii) Part A is compulsory, which carries 25 marks. In Part A, Answer all questions.
 iii) In Part B, Answer any one question from each unit. Each question carries 10 marks and may have a, b as sub questions.

PART – A**(25 Marks)**

- 1.a) What is meant by accounting cycle? Describe the steps of accounting cycle. [5]
 b) Explain the limitations of ratio analysis. [5]
 c) Bring out the distinction between financial accounting and cost accounting. [5]
 d) What is the difference between an appropriation budget and a flexible budget? [5]
 e) List the measures to be kept in place for protecting misuse of computerized accounting and /or, the information reaching wrong hands. [5]

PART – B**(50 Marks)**

- 2.a) The following Trial Balance has been prepared wrongly. You are asked to prepare the Trial Balance correctly.

Name of the account	Debit balance Rs.	Credit balance Rs.
Cash in hand		2,000
Purchases returns	4,000	
Wages	8,000	
Establishment expenses	12,000	
Sales returns		8,000
Capital	22,000	
Carriage outward		2,000
Discount received	1,200	
Commission earned	800	
Machinery		20,000
Stock		10,000
Debtors	8,000	
Creditors		12,000
Sales		44,000
Purchases	28,000	
Bank overdraft	14,000	
Manufacturing expenses		14,000
Loan from Ashok	14,000	
Carriage inward	1,000	
Interest on investments		1,000
	1,13,000	1,13,000

- b) Brief on double entry system of accounting.

[7+3]

OR

3.a) From the following transactions find-out, the nature of account and state which account should be debited and which account should be credited.

i) rent paid ii) interest received iii) salaries paid iv) dividends received v) furniture purchased for cash vi) Machinery sold vii) Outstanding for salaries viii) Telephone charges paid ix) Paid to Suresh x) received from Mohan (the proprietor) xi) Lighting.

b) What is accounting equation? What is its significance? [7+3]

4.a) From the following a/c balances at year-end, calculate the amount of working capital and the quick ratio for the year (all figures in Rupees).

Cash	25,000	Accounts payable	12,000
Accounts receivable	6,750	Salaries payable	8,550
Short term investments	9,825	Interest payable	1,215
Inventory	6,590	Short-term bills payable	11,250
Supplies	3,620	Long-term debts	9,200
Prepaid insurance	5,600	Common stock	13,420
Equipment, net	55,000	Retained earnings	56,750

b) What is the significance of time value of money? [7+3]

OR

5.a) What is the role of finance manager in a business organization?

b) What is the basic differences between funds flow statement and cash flow statement? [5+5]

6.a) Explain the term under absorption and over absorption of overheads.

b) Profit and sales for the year 2020 for a company are as follows:

Profit= Rs. 1,80,000 and Sales Rs.24,00,000.

In 2021, the sales increased by Rs. 4,00,000 and the profit increased by Rs.80,000.

You are required to calculate i) P/V ratio and ii) Sales required to achieve profit of Rs.10,00,000. [4+6]

OR

7. S.N. Ltd. furnishes the following information relating to the half year ended 30th June 2020.

Fixed cost	Rs. 45,000
Sales	1,50,000
Profit	30,000

During the second half of the year, the company has projected a loss of Rs.10,000. Calculate

a) The break-even point and margin of safety for the six-month ending June 2020.

b) Expected sales volume for the second half of the year assuming that fixed costs and P/V ratio remain constant in the second half of the year.

c) The break-even point and margin of safety for the whole year of 2020. [10]

8.a) Distinguish between budget and budgetary control.

b) Enumerate the various causes of total material variance costs. [5+5]

OR

- 9.a) The standard cost of material for manufacturing a unit of a particular product is estimated as follows:
16 kgs of raw material @ Rs 1 per kg.
On completion of the unit, it was found that 20 kgs of raw material costing Rs.1.50 per kg. has been consumed. Compute material price, usage, cost variances.
- b) What is zero based budgeting? [6+4]
- 10.a) What is the importance of code review in programming for computerized accounting?
b) What are transaction files? What purpose do they serve? [5+5]
- OR**
- 11.a) What are the components of master file in computerized accounting?
b) How do you ensure data integrity in computerized accounting? [5+5]

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