No. of Printed Pages : 3 **MCS–035**

MASTER OF COMPUTER APPLICATIONS (MCA)

Term-End Examination

December, 2024

MCS-035 : ACCOUNTANCY AND FINANCIAL MANAGEMENT

Time : 3 Hours *Maximum Marks : 100*

Weightage : 75%

Note : *(i) Question* ***No. 1*** *is compulsory. Answer any* ***three*** *questions from the rest.*

(ii) Use of calculator is allowed.

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1. (a) The Balance Sheets of Silent and Humming as on 31st March, 2021 and 2022 are given below :

Liabilities	**As on 31-03-21 (₹)**	**As on 31-03-22 (₹)**
Paid up capital	1,00,000	1,00,000
Reserves	50,000	60,000
Debentures	60,000	70,000
Long-term loan	30,000	40,000
Bank loan (long-term)	25,000	35,000
Creditors	20,000	25,000
Bills Payable	5,000	10,000
Total	2,90,000	3,40,000

Assets	**As on 31-03-21 (₹)**	**As on 31-03-22 (₹)**
Land	20,000	20,000
Building	50,000	50,000
Plant & Machinery	1,20,000	1,50,000
Furnitures and Fittings	10,000	15,000
Inventory	50,000	55,000
Debtors	20,000	35,000
Bills Receivable	10,000	10,000
Cash	10,000	5,000
Total	2,90,000	3,40,000

The sales for 2021 and 2022 were ₹ 6,50,000 and ₹ 8,00,000 respectively. All the sales are made on credit basis. The opening stock in the beginning was ₹ 40,000. Gross profit was ₹ 1,50,000 and ₹ 2,00,000 in 2021 and 2022 respectively.

From the above information you are required to calculate the following : 4×5=20

(i) Current ratio

(ii) Quick ratio

(iii) Inventory turnover

(iv) Average collection period

(b) Explain the following : 4×5=20

(i) Accrual Concept

(ii) Concept of Conservation

(iii) Materiality Concept

(iv) Consistency Concept

2. "A fund flow statement is a better substitute for income statement." Critically examine. 20

3. Make a comparison between NPV and IRR methods. Which one of the two you find to be more rationale and why ? 20

4. What is the significance of working capital for a firm ? What will be the consequences of shortage and excess of working capital ? Explain. 20

5. "Average age of receivable is an important yardstick of testing the efficiency of receivable management." Explain. 20

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