No. of Printed Pages : 4 **MCS–035**

MASTER OF COMPUTER APPLICATIONS (REVISED) (MCA)

Term-End Examination

December, 2025

MCS-035 : ACCOUNTANCY AND FINANCIAL MANAGEMENT

Time : 3 Hours *Maximum Marks : 100*

Weightage : 75%

Note : *Question No.* ***1*** *is compulsory and carries 40 marks. Attempt any* ***three*** *questions from the rest. Each question carries 20 marks.*

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1. (a) Explain the following : 5×4=20

   (i) Business Entity Concept

   (ii) Money Measurement Concept

   (iii) Continuity Concept

   (iv) Cost Concept

(b) The financial manager of a company has to advise the Board of Directors on choosing between two projects which require an equal investment of ₹ 10,00,000 and expected to generate cash flows as under :

End of Year	**Project A (₹)**	**Project B (₹)**
1	4,80,000	2,00,000
2	3,20,000	2,40,000
3	2,00,000	3,60,000
4	NIL	4,80,000
5	2,40,000	1,60,000
6	1,20,000	80,000

Calculate using the NPV model, which project proposal should be recommended and why ?

Assume the cost of capital to be 10% per annum. The following are the present value factor at 10% p.a. : 20

Year	**P.V.F.**
1	0.909
2	0.826
3	0.751
4	0.683
5	0.621
6	0.564

2. What adjustments are required to close the books of accounts for the following ? 4×5=20
   (a) Closing stock
   (b) Outstanding expenses
   (c) Prepaid expenses
   (d) Depreciation
   (e) Interest on capital
3. Explain the tools/techniques of analysis and interpretation of financial statements. Also differentiate between external and internal analysis. 20

4. (a) "Value maximization objective may suffer from certain limitations." Give your comments on the statement. 10

   (b) Explain the relevance of time value of money in financial decision-making. 10

5. "Efficient cash management will aim at maximizing the availability of cash inflows by decentralizing collections and decentralizing cash outflows by centralizing the disbursements." Discuss. 20

6. Write short notes on any *four* of the following : 4×5=20

   (a) Debt-service Coverage Ratio

   (b) Inflation Accounting

   (c) Contingent Liabilities

   (d) Working Capital Cycle

   (e) Factoring

   (f) ABC Analysis

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