

No. of Printed Pages : 4

**MCS-225**

**MASTER OF COMPUTER  
APPLICATIONS  
(MCA-NEW)**

**Term-End Examination**

**December, 2025**

**MCS-225 : ACCOUNTANCY AND FINANCIAL  
MANAGEMENT**

*Time : 3 Hours*

*Maximum Marks : 100*

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**Note :** (i) *Answer any **five** questions.*

(ii) *All questions carry equal marks.*

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1. Explain the following : 4×5=20

(a) Business Entity Concept

**C-2040/MCS-225**

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- (b) Money Measurement Concept
  - (c) Cost Concept
  - (d) Accrual Concept
2. Discuss the various techniques of financial statement analysis. Explain the procedure of any *one* technique of financial statement analysis. 10+10
3. State the significance of each of the following ratios and state how they are calculated : 4×5=20
- (a) Current Ratio
  - (b) Return on Capital Employed
  - (c) Solvency Ratio
  - (d) Inventory Turnover

4. What are the components of Cash Flow Statement ? How is it prepared as per Direct Method ? 20
5. (a) Explain the 'Agency Theory'. What are its costs ? 10
- (b) Discuss the possible reasons to state that the money has time value despite not being put to use. 10
6. Differentiate between the following : 10+10
- (a) Cost of capital and Weighted average cost of capital
- (b) Net Present Value and Internal Rate of Return
7. "Working capital management is all about managing the level and financing of current assets." Comment. What methods do you suggest for estimating working capital needs ? 10+10

8. Write short notes on the following :  $4 \times 5 = 20$

- (a) Cash forecasting and Budgeting
- (b) Factoring
- (c) EOQ
- (d) ABC Analysis

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