

Code: 06MC105

MCA - I Semester Supplementary Examinations, August/September 2012

ACCOUNTANCY & FINANCIAL MANAGEMENT

(For students admitted in 2006, 2007 & 2008 only)

Time: 3 hours

Max Marks: 60

Answer any FIVE questions
All questions carry equal marks

- 1 What is meant by double-entry system of accounting? Explain its importance to financial management.
- 2 The following is the trial balance of Mr.Mohan Ram as on December 31, 2005.

Debit balance	Rs	Credit balance	Rs
Stock (1/1/2005)	3,000	Sales	52,000
Purchases	37,000	Purchases returns	900
Carriage	300	Creditors	11,000
Sales returns	500	Capital	9,000
Salaries	4,000	Bill payable	5,000
Wages	1,000		
Rent	1,800		
Discount	1,000		
Repairs	300		
Miscellaneous: expanses	1,000		
Cash in hand	3,000		
Furniture and fixtures	6,000		
Debtors	12,000		
Drawings	7,000		
	77,900		77,900

Closing stock on December 31, 2005 was Rs 8000 you are required to pass the closing entries and prepare the trading and profit and loss account for the year ending December 31, 2005 and a balance sheet as on that date.

- 3 What is meant by profit maximization? What are its limitations as a financial goal?
- 4 What is ratio analysis? Explain the classification of various ratios.
- 5 Explain elaborately various elements of costs.
- 6 From the following information calculate:
- P/V ratio.
 - Breakeven point.
 - Margin of safety.

	In Rs.
Total sales	3,60,000
Selling price per unit	100
Variable cost per unit	50
Fixed costs	1,00,000

- (d) If selling prices is reduced to Rs 90, by how much is the margin of safety is reduced.
- 7 Explain the steps involved in standard costing.
- 8 "Modern accounts are more like computer keeping rather than book keeping". Discuss.
