

[4066] - 303

P1081

S.Y. M.C.A. (Engineering Faculty)

FINANCIAL ACCOUNTING AND MANAGEMENT

(2008 Pattern) (Sem. - III) (610903)

Time : 3 Hours]

[Max. Marks : 70

Instructions to the candidates:-

- 1) Answer any three questions from each section.
- 2) Answers to the two sections should be written in separate answer books.
- 3) Assume suitable data, if necessary.
- 4) Draw figures and tables as required.
- 5) Figures to the right indicate full marks.

SECTION - I

Unit - I

- Q1) a) Explain in detail, the principles and conventions used for financial accounting. [6]
- b) Explain the importance of different financial statements for IT organization. [6]

OR

- Q2) a) Explain in detail, the process and elements widely used in maintenance of Journals or recording of different transactions. [6]
- b) Explain the importance of profit and loss account and balance sheet for any service industry. [6]

Unit - II

- Q3) a) What are different Overhead costs? How overheads affects the process of preparing cost sheet? [6]
- b) What is the importance of Ratio Analysis in business operation? Describe in detail. [6]

OR

- Q4)** a) Explain Marginal costing and Marginal Safety for business operation. [6]
b) Explain different Ratio Analysis methods used in business operation. [6]

Unit - III

- Q5)** a) Explain the operational significance of Gross and net working capital. [5]
b) What are the factors influencing the working capital? Explain in detail. [6]

OR

- Q6)** a) What are the dangers of Excessive and Inadequate working capital? Explain in brief. [5]
b) Explain the process of estimation of working capital in detail. [6]

SECTION - II

Unit - IV

- Q7)** a) A project costs Rs. 20 lakhs and yields annually profit of Rs. 3,00,000/- after depreciation at 12.5 percent but before tax at 50 percent. Calculate pay back period and suggest whether it should be accepted or rejected based on 6 year standard pay back period. [6]
b) Explain the importance of capital budgeting in detail. [6]

OR

- Q8)** a) A project costs an initial investment of Rs. 40,000/- and is expected to generate annual cash inflows of Rs. 16,000/- for 4 years. Calculate Internal Rate of Return (IRR). [6]
b) What are difficulties faced in capital budgeting? Explain in detail. [6]

Unit - V

- Q9)** a) A company has earnings available to ordinary shareholders Rs. 5,00,000/- It has capital Rs. 50, 00,000/- face value of Rs. 100 each. The company's share is selling at Rs. 200. Compute cost of equity based on face value and cost of equity based on market price. [6]
b) Explain basic aspects (rate of return, business risk and financial risk) of cost of capital. [6]

OR

- Q10)** a) A company issues 12,000, 12 percent preference shares of Rs. 100 each. Company is expected to pay 2 percent as floatation cost. Calculate the cost of preference shares assuming issued at [6]
- i) face values or par value and
 - ii) at a discount of 5%.
- b) Explain cost of equity, overall cost of capital, and marginal cost of capital. [6]

Unit - VI

- Q11)** a) What may be the important components in accounting information systems for transaction processing and financial reporting tool? [5]
- b) Explain different features of Tally 9.0 with respect to debit note, credit note, purchase order and sales order. [6]

OR

- Q12)** a) What may be the important components of online accounting report systems? Justify any two components. [5]
- b) Explain the importance of components of Tally 9.0 as automated accounting tool. [6]

