

R09

Code No: F3105
JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD
MCA I Semester Examinations, February-March 2012
ACCOUNTING AND FINANCIAL MANAGEMENT

Time: 3hours

Max. Marks: 60

Answer any five questions
All questions carry equal marks

1. A trial balance prepared by the accountant of XYZ is furnished below. You are required to prepare the Trading and Profit and loss account for the year ending 31st December 2003 and a balance Sheet as on that date.

	Rs.	Rs.
Opening Stock	12,500	
Sales & Purchases	26,400	86,000
Coal & Water	1,600	
Insurance	2,300	
Postage	800	
Printing	300	
Machinery	21,000	
Furniture	20,000	
Returns	1,800	1,500
Commission	2,000	21,000
Wages	4,000	
Overdraft		18,000
Discount	3,000	2,500
Outstanding Salary		1,000
Salary	6,000	
Buildings	28,000	
Bills Payable		7,000
Bills Receivable	5,000	
XYZ's Capital		15,000
XYZ's drawing	2,000	
Prepaid Insurance	300	
Patents	1,000	
Cash	14,000	
Total	1,52,000	1,52,000

Additional information

- a) The closing stock was valued at Rs.68,000
- b) wages include Rs.700 paid to workmen for installing the machinery .
- c) Sample distributed but unrecorded Rs.850.

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2. Following is the data relating to Firm A and B. Find out which firm is handling its debtors and creditors position efficiently.

	Firm A	Firm B
Debtors (1.1.2000)	8,000	12,000
Debtors (31.12.2000)	16,000	14,000
Creditors (1.1.2000)	32,000	28,000
Sales (50% Credit)	3,00,000	4,00,000
Purchases (75% Credit)	2,00,000	3,00,000
Creditors (31.12.2000)	30,000	40,000

3. a) Explain Time Value of Money – Compounding & discounting and illustrate your answer .

- b) The following is the capital structure of Simons Company Ltd as on 31.12.2004

Equity shares: 10000 share of Rs.100/- each	10,00,000
10% Preference shares of Rs.100 each	4,00,000
12% Debentures of Rs.100 each	6,00,000
	20,00,000

The market price of the company's share is Rs.110/- and is expected that a dividend of Rs.10/- per share would be declared for the year 2004 . The dividend growth rate is 6% . If the company is in the 40% tax bracket, compute WACC.

4. a) Explain Capital Gearing.

- b) What are the different sources of finance?

5. a) Explain three profitability ratios with formula and illustration .

- b) Draw a proforma cash flow statement as per AS – 3 (Revised).

6. a) Explain Cost – Volume – profit Analysis .

- b) The following data are extracted from the financial statement of X Ltd

Rs.	
Sales (2,00,000 units Rs.10 each)	20,00,000
Variable cost	10,00,000
	10,00,000
Contribution	10,00,000
Fixed cost	6,00,000
	4,00,000
Net profit	4,00,000

Calculate: (i) The p / v ratio (ii) BEP (iii) Margin of safety ratio
 (iv) What is BEP and new p / v ratio if the price increases by 10% .

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7. From the Following figures calculate the working Capital Requirement of the ABC Company

Units of Production	12000 per year.
Cost per unit.	
Raw Material	Rs.3/-
Labour	Rs.5/-
Over Heads	Rs.2/-
	=====
Total Cost	Rs.10/-
Profit	Rs. 2/-
	=====
Selling Price	Rs.12/-
	=====
Raw Material Requirement	3 months
Semi finished Goods	4 months
(1/2 Raw Material + 1/2 Labour)	
Finished Goods	2 month
Debtors	3 months
Cash	Rs.1,20,000/-
Creditors	1 month.

8. Write the short notes on the following:
- Estimation of working capital requirement .
 - features of capital Budgeting proposals .
 - Net present value of method and its formulas as well as Acceptance criterion .
