

Register No.: Name:

SAINTGITS COLLEGE OF ENGINEERING (AUTONOMOUS)

(AFFILIATED TO APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY, THIRUVANANTHAPURAM)

THIRD SEMESTER INTEGRATED M.C.A DEGREE EXAMINATION (S), MAY 2022

(2020 SCHEME)

Course Code: 20IMCAT207

Course Name: Accounting and Financial Management

Max. Marks: 60

Duration: 3 Hours

PART A

(Answer all questions. Each question carries 3 marks)

1. Explain Financial Management and its functions.
2. Write notes on wealth maximization and profit maximization.
3. Calculate Gross profit ratio and Net Profit Ratio from the following information.
Sales ₹ 3,00,000
Cost of Goods sold ₹ 2,00,000
Indirect expenses ₹ 70,000
4. What will be the operating profit ratio if operating ratio is 88.34%?
5. What is meant by 'Cash Flow Statement'? Give the meaning of 'Cash Equivalents' for the purpose of preparing Cash Flow Statement.
6. How will you treat 'commission received' and 'dividend paid' in cash-flow-statement?
7. What is the importance of Cost Accounting?
8. State the difference between cost control and cost reduction.
9. Explain the components of Indian Financial System.
10. Differentiate money market and capital market.

PART B

(Answer one full question from each module, each question carries 6 marks)

MODULE I

11. a) Enlist the shortcomings of the profit maximization objective of a firm. (3)
- b) State the advantages of wealth maximization objective. (3)

OR

12. a) 'Financial Management is an integral part of general management process in most companies'. Examine the statement. (3)
- b) Write a short note on modern phase of financial management. (3)

MODULE II

13. a) X Ltd. has a current ratio of 3 : 1 and quick ratio of 2 :1. If the excess of current assets over quick assets as represented by inventory is ₹ 40,000, calculate current assets and current liabilities. (3)
- b) What do you mean by ratio analysis? List out its advantages and (3)

disadvantages.

OR

14. a) From the following information, calculate the following ratios
(i)Liquid ratio
(ii)Proprietary ratio

Information	Amt (₹)	
Revenue from operations (Net sales)	5,00,000	
Gross profit	1,50,000	
Total current assets	3,00,000	(3)
Closing stock	25,000	
Prepaid insurance	5,000	
Total current liabilities	1,50,000	
Share capital	4,00,000	
Reserves and surplus	50,000	
Fixed assets	6,00,000	

- b) Describe the procedure for preparing a Fund flow statement. (3)

MODULE III

15. a) From the following particulars, calculate cash flows from investing activities:

	Purchased ₹	Sold ₹
Plant	4,40,000	50,000
Investments	1,80,000	1,00,000
Goodwill	2,00,000	-
Patents	-	1,00,000

Interest received on debentures held as investment ₹ 60,000.

Dividend received on shares held as investment ₹ 10,000.

A plot of land had been purchased for investment purposes and was let out for commercial use and rent received ₹ 30,000. (3)

- b) Explain the limitations of Cash Flow Statement. (3)

OR

16. a) Anand Ltd. arrived at a net income of ₹ 5,00,000 for the year ended March 31,2017. Depreciation for the year was ₹ 2,00,000. There was a gain of ₹50,000 on assets sold which was credited to profit and loss account. Bills Receivables increased during the year ₹ 40,000 and Bills Payables also increased by ₹ 60,000. Compute the cash flow from operating activities by the indirect method. (3)
- b) Explain the objectives of Cash Flow Statement. (3)

MODULE IV

17. a) Explain the components of total cost. (3)

- b) From the following data, calculate P/V ratio:
Sales 20,000 units @ ₹ 20 per unit ₹ 4,00,000
Variable costs @ ₹ 15 per unit ₹ 3,00,000
Fixed Costs ₹ 80,000. (3)

OR

18. From the following data, you are required to calculate:
(i) P/V ratio
(ii) Break-even sales with the help of P/V ratio
(iii) Sales required to earn a profit of ₹ 4,50,000.
Fixed Expenses ₹ 90,000
Variable Cost per unit: (6)
 Direct Material ₹ 5
 Direct Labour ₹ 2
 Direct Overheads 100% of Direct Labour
Selling Price per unit ₹ 12

MODULE V

19. a) Explain the functions of capital market. (3)
b) Differentiate new issue market and secondary market. (3)
- OR**
20. a) Explain the functions of money market. (3)
b) Discuss the various sources of long-term finance. (3)
