

Register No.: ..... Name: .....

## **SAINTGITS COLLEGE OF ENGINEERING (AUTONOMOUS)**

(AFFILIATED TO APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY, THIRUVANANTHAPURAM)

### **THIRD SEMESTER INTEGRATED M.C.A DEGREE EXAMINATION (R), DECEMBER 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 the scope of financial management.
2. Does the nature of the industry affect the dividend policy of a company? Justify your answer in detail.
3. List any six sources of funds.
4. Briefly explain three ratios used to analyse the Profitability position of a company.
5. What are the uses of Cash Flow statement?
6. State any three items under the head cash from investing activities.
7. Describe any three types of costs that would help managerial decision-making.
8. What are steps involved in cost reduction?
9. Why do startups look for venture capital financing as a source of funds?
10. Explain any three types of financial institutions that act as intermediaries in the Indian financial system.

#### **PART B**

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

##### **MODULE I**

11. a) Explain financing and investment decisions of financial management. (3)
- b) 'Key decisions in financial management are a part of an integrated decision framework'. Discuss. (3)

##### **OR**

12. a) Explain wealth maximisation as an objective of financial management. (3)
- b) What are arguments against "profit maximisation as an objective of financial management"? (3)

**MODULE II**

13. a) Differentiate Cash Flow statement and Fund Flow Statement. (3)
- b) Prepare the schedule of changes in working capital with imaginary figures. (3)

**OR**

14. a) Cost of Goods Sold is ₹ 4,50,000 (3)  
Stock at the beginning of the year is ₹ 25,000 and  
Stock at the close of the year ₹ 1,75,000.  
Calculate Stock Turnover Ratio.
- b) Discuss the guidelines for the use of Ratios. (3)

**MODULE III**

15. a) Long-term Loan (1st April, 2021) ₹2,00,000 (3)  
Long-term Loan (31st March, 2022) ₹2,50,000  
Loan re-paid during the year ₹1,00,000.  
What is the amount of cash from financing activities?
- b) Is it mandatory for companies to prepare a cash flow statement? (3)  
Explain in detail by stating the purpose of preparing a cash flow statement.

**OR**

16. a) Illustrate with imaginary figures how cash from operations is (3)  
computed under the indirect method.
- b) “As per the accounting standard, the changes resulting from cash (3)  
inflow and cash outflow should be classified under three heads”.  
Which are the three heads? Answer in detail quoting two examples  
each.

**MODULE IV**

17. a) What are overheads? Also, explain in detail any two types of (3)  
overheads with examples.
- b) Is cost reduction the same as cost control? Explain in detail (3)

**OR**

18. a) Illustrate using a cost sheet, how works cost is arrived at. (3)
- b) Sales per unit: ₹ 15 (3)  
Variable Cost per unit: ₹ 10  
Fixed Cost: ₹ 1,50,000  
Calculate (i) Contribution (ii) P/V ratio (iii) Break – Even Point.

**MODULE V**

19. a) Explain any three money market instruments in Indian Financial System. (3)  
b) Differentiate money market and capital market. (3)

**OR**

20. a) "Stock market is seen as a barometer of an economy". Why? (3)  
b) What do you mean by initial public offer? Also, name any one company that had recently gone for IPO. (3)

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