Roll No:
(To be filled in by the candidate)

PSG COLLEGE OF TECHNOLOGY, COIMBATORE - 641 004

SEMESTER EXAMINATIONS, FEBRUARY / MARCH 2017

MSc - SOFTWARE SYSTEMS Semester : 4

12XW41   ACCOUNTING AND FINANCIAL MANAGEMENT

Time : 3 Hours   **Maximum Marks : 100**

INSTRUCTIONS:
1. Answer **ALL** questions from GROUP – I.
2. Answer any **FOUR** questions from GROUP – II.
3. Answer any **ONE** question from GROUP – III.
4. Ignore the box titled as **"Answers for Group III"** in the Main Answer Book.

GROUP - I   **Marks : 10 x 3 = 30**

1. How in Mercantile basis of accounting different from cash basis of accounting?

2. Give any 3 salient features of double entry system.

3. What is a Trial Balance?

4. From which statement do you know the results of the business? What does it contain?

5. Non profit organizations – what are they? Name three entities.

6. Mention the three main objectives of Cost Accounting.

7. In what circumstances 'Process Costing' method is used. Name three industries where it is used.

8. State the characteristics of fixed cost and variable cost.

9. For what purposes and how ACB analysis is used.

10. 'Payback period method' – In what context is it used.

GROUP - II   **Marks : 4 x 12.5 = 50**

11. Journalise the following transactions entered into by Swathi & Sneha LLP during the month of Jan 2017.

   1. Additional capital brought in by Swathi Rs.2,50,000 by cheque ; by Sneha Rs.2,50,000 – partly by cash Rs.1,00,000 and balance by cheque.

   2. Cash received for sale of used machinery Rs.1,25,000.

   3. Generator purchased from caterpillar for Rs.5,00,000 by paying Rs.2,50,000 as advance by cheque.

   4. Purchased Raw materials from Gowsalya for Rs.75,000.

   5. Purchased consumable stores from Sahana & Co. for Rs.45,000 by paying cash.

   6. Power charges paid by cheque to TANGED Co Rs.31,000.

7. Salary paid to workers in cash Rs.92,500.

8. Cash sales to Praneeth Rs.1,04,200.

9. Goods sold to Nithya on credit for Rs.2,18,050.

10. Goods returned by Nithya Rs.28,050 and cash received Rs.90,000 towards account.

11. Rent paid by cheque to Akash Rs.17,250.

12. Salary paid Rs.7,250 by cash to security guard.

12. Explain at least 4 ratios under each of the category given below giving the formula and mentioning the impact incase it is high or incase it is low.

1. Profitability ratios   2. Finance ratios   3. Turnover ratios

13. a) Under 'specific order costing' explain the 3 different methods used for different situations bringing out their salient features. Name at least 4 industries or activity for each of them.

b) Explain cost centre and cost sheet.

14. a) What is standard cost and under what classification does it come. How are standards established? Explain the three types of standards.

b) How is the analyses of variance helpful.

c) Material cost variance – how is it calculated.

15. Explain the following terms under capital budgeting

a) Time value of money   b) Cost of capital

c) Post pay back profitability   d) Net present value method

e) Internal rate of return   f) Cash inflow

GROUP - III   Marks : 1 x 20 = 20

16. Asmitha & Ashwatha Enterprises received the statement of account form Axis Bank Ltd for the month of December 2016. It was noticed that the balance shown there was Rs.7,17,500. However, as per their books the figure was different. Where compared, the following differences were noticed. Prepare a reconciliation statement.

1. 10.12.16   Cash deposited in the Bank Rs.1,00,000 has been entered as Rs.2,00,000 by cashier.

2. 14.12.16   Cheque for Rs.1,80,000 received from Prakash has been returned unpaid.

3. Cheque issued to parties have not been presented by them for payment

15.12.16	Jaishree & Co.	Rs.1,50,000
18.12.16	Alagu Software	Rs. 82,000
21.12.16	Mohamed Computers	Rs.1,05,000

4. Bank has debited interest on loan Rs.1,20,000 on 31.12.16 and Rs.5,000 as service changes which has not been considered in the books.

5. Bank has paid Insurance Premim of Rs.14,400 as per standing instructions which has been noticed only now.

6. Cash withdrawn from bank Rs.7,50,000 for salary payments as on 31st December has been entered as Rs.9,15,000 by cashier.

7. Cheques received from customers and deposited in the bank remain uncleared.

24.12.16	Madhu designers	Rs.1,87,500
26.12.16	Priyadarshani Engineering	Rs.1,61,750
27.12.16	Buelah Consulting	Rs. 85,000

8. Bank has received by NEFT Rs.1,31,000 from a customer on 27.12.16 which in noticed only now.

9. FD interest credited by bank on 30.12.16 Rs.96,215 not entered in Bank book.

10. Cheque dated 20.12.16 issued towards VAT payable has not been entered in bank book.

17. a) Explain the principle of Risk Variation, principle of capital, principle of equity position, principle of maturity of payments in the context of determination of working capital.

b) What is working capital and what does it comprise of.

c) Describe the 10 factors for determining working capital requirements.

d) Adequacy of working capital – what are the advantages and disadvantages.

/END/

CSK.