

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), FEBRUARY 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 functions of financial management.
2. Identify the factors affecting the dividend policies of a company.
3. What are the advantages of fund flow statement?
4. Discuss the guidelines for the use of Ratios.
5. Distinguish between Cash Flow statement and Fund Flow statement.
6. State cash and cash equivalents in cash flow statement.
7. Explain the following terms:  
i. Fixed cost    ii. Marginal cost    iii. Contribution
8. Bring out the differences between cost control and cost reduction.
9. Why is stock market important for any country?
10. Explain any three types of financial institutions that act as intermediaries in Indian financial system.

#### PART B

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

#### MODULE I

11. a) Explain the key decision-making areas of financial management. (3)
- b) 'Key decisions in financial management are a part of an integrated decision framework'. Discuss. (3)

#### OR

12. a) Discuss the financial goals of a company. (3)
- b) Why is financial management important for an organisation? (3)

#### MODULE II

13. a) The current ratio of XYZ Ltd is 2.6:1 and the liquidity ratio is 1.5:1. Current liability is ₹40,000. Compute: (3)
  - i. Current Asset
  - ii. Liquid Asset
  - iii. Inventory
- b) Explain three ratios each used to analyse (3)
  - i. Profitability position and
  - ii. Long term Solvency position of a company.

#### OR

14. a) Discuss the various sources and applications of fund. (3)

- b) Why is the schedule of changes in working capital prepared? How is it prepared? (3)

**MODULE III**

15. a) From the following information, calculate cash from operating activities under direct method.

Cash sales - ₹ 20,000

Collection from customers - ₹ 80,000

Payment to suppliers - ₹ 35,000,

Payment to employees - ₹ 15,000

Operating expenses paid - ₹ 20,000

Sale of fixed assets - ₹ 10,000

Income tax paid - ₹12,500

Dividend paid - ₹1,000

Depreciation - ₹ 2,500

- b) Narrate the uses of cash flow statement. (3)

**OR**

16. a) Classify the following transactions into Cash flow from (A) operating activities, (B) investing activities and (C) financing activities.

i. Cash paid to suppliers

ii. Payment of dividend

iii. Cash received on sale of Machinery

iv. Payment of Tax

v. Interest paid on debentures

vi. Cash payment to acquire fixed asset

- b) Prepare the proforma of cash flow statements under indirect method with imaginary figures. (3)

**MODULE IV**

17. a) Prepare a detailed Cost Sheet with imaginary figures (3)

- b) Calculate P/V ratio and Break-Even Point.

Sales: 20,000 units @ ₹ 40 per unit

Variable Cost: ₹ 20 per unit

Fixed Cost: ₹ 1,60,000

**OR**

18. a) Explain the various types of costs that would help for decision making. (3)

- b) Discuss the elements of cost. (3)

**MODULE V**

19. a) Differentiate primary market and secondary market. (3)

- b) Explain the various types of money market instruments. (3)

**OR**

20. a) 'Crowd funding is an emerging powerful form of social investing.' Comment. (3)

- b) Explain venture capital financing. (3)

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