

Roll No. 

Total No. of Pages : 03

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**M.Sc.(IT) (2015 Onwards) (Sem.–3)**  
**ACCOUNTING AND FINANCIAL MANAGEMENT**  
**Subject Code : MSIT-304**  
**M.Code : 74069**

Time : 3 Hrs.

Max. Marks : 60

**INSTRUCTIONS TO CANDIDATES :**

1. **SECTIONS-A, B, C & D** contains **TWO** questions each carrying **TEN** marks each and students has to attempt any **ONE** question from each **SECTION**.
2. **SECTION-E** is **COMPULSORY** consisting of **TEN** questions carrying **TWENTY** marks in all.

**SECTION-A**

1. *“Accounting concepts are like scientific rule, which are time tested and applicable universally across the boundaries and in different situations, where as conventions are certain accounting policies and procedures which are followed as a matter of practice is the business organizations”.* Discuss.
2. From the following balances prepare a Trading, Profit & Loss Account and Balance Sheet.

	<b>Rs.</b>		<b>Rs.</b>
Carriage on Goods Purchased	80,000	Cash in Hand	25,000
Carriage on Goods Sold	35,000	Banker's A/c (Cr.)	3,00,000
Manufacturing Expenses	4,20,000	Motor Car	6,00,000
Advertisement	70,000	Drawings	80,000
Freight and Octroi	44,000	Audit Fees	27,000
Lighting	60,000	Plant	15,39,000
Customer's A/c	8,00,000	Repairs to Plant	22,000
Supplier's A/c	6,10,000	Stock at the end	7,60,000
Duty and Clearing Charges	52,000	Purchase Less Returns	16,00,000
Postage and Telegram	8,000	Commission on Purchases	20,000
Fire Insurance Premium	36,000	Incidental Trade Exp.	32,000
Patents	1,20,000	Investments	3,00,000
Income Tax	2,40,000	Interest on Investments	45,000
Office Expenses	72,000	Capital A/c	10,00,000
		Sales Less Returns	52,00,000
		Rent	1,20,000
		Discount Paid	27,000
		Discount on Purchases	34,000

## SECTION-B

3. Define the concept of finance. Discuss in detail relationship of financial management to economics and accounting. What forces are prodding companies in India to accord greater importance to the goal of shareholder wealth maximization? Comment on the emerging role of financial manager in India.
4. Calculate Absolute liquid ratio from the following information :

	Rs.		Rs.
Goodwill	50 000	Cash in bank	30 000
Plant and Machinery	400 000	Inventories	75 000
Trade investments	200 000	Bank overdraft	70 000
Marketable securities	150000	Sundry creditors	60 000
Bills receivable	40 000	Bills payable	90 000
Cash in hand	45 000	Outstanding expenses	30 000

## SECTION-C

5. From the following information explains how absorption costing differ from marginal costing, which technique is better in the short period and why?

Normal level of production	2600 units per period
Sale price	Rs 10 per unit
Variable cost	Rs 6 per unit
Fixed cost	Rs 3 per unit
Total Fixed cost	Rs 7800

Information relating to the production and sales

	Period-I	Period-II	Period-III	Period-IV
Opening stock(units)	-	-	500	200
Production (units)	2600	3000	2500	3000
Sales (units)	2600	2500	2800	3200
Closing stock(units)		500	200	-

6. Calculate direct labour cost variance with the help of following data :

Standard Output	120 units
Standard rate per hour	Rs.3
Standard time per unit	2 hrs
Actual Output	100 units
Actual rate per hour	Rs.5
Total actual time taken	150 hrs

### SECTION-D

7. What is the meaning of computerized accounting? How it is used to prepare final accounts of any company? Explain with the help of example.
8. What is the purpose of preparing a computer based auditing? How is it prepared? Explain with the help of example.

### SECTION-E

9. **Write short notes on the following in 2-5 lines :**
  - I. Explain three merits of financial accounting.
  - II. Who is auditor?
  - III. How standard costing differ from budgetary control?
  - IV. Define Book Keeping.
  - V. Discuss in detail benefits of marginal costing.
  - VI. Define Computer.
  - VII. Discuss the significance of debt equity ratio.
  - VIII. What do you mean by company?
  - IX. How will you calculate error from transactions of any organization?
  - X. Define Idle Time.

**NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.**