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NOIDA INSTITUTE OF ENGINEERING AND TECHNOLOGY, GREATER NOIDA

(An Autonomous Institute Affiliated to AKTU, Lucknow)

MCA (Integrated)

SEM: III - THEORY EXAMINATION (2024 - 2025)

Subject: Accounting and Financial Management

Time: 3 Hours

Max. Marks: 100

General Instructions:

IMP: Verify that you have received the question paper with the correct course, code, branch etc.

1. This Question paper comprises of three Sections -A, B, & C. It consists of Multiple Choice Questions (MCQ's) & Subjective type questions.

2. Maximum marks for each question are indicated on right -hand side of each question.

3. Illustrate your answers with neat sketches wherever necessary.

4. Assume suitable data if necessary.

5. Preferably, write the answers in sequential order.

6. No sheet should be left blank. Any written material after a blank sheet will not be evaluated/checked.

SECTION-A

20

1. Attempt all parts:-

1-a. The assets that can be easily converted into cash within a short period, i.e., 1 year or less are known as (CO1, K1) 1

- (a) Current assets
- (b) Fixed assets
- (c) Intangible assets
- (d) Investments

1-b. Accounting provides data or information on (CO1, K2) 1

- (a) Income and cost for the managers
- (b) Financial conditions of the institutions
- (c) Company's tax liability for a particular year
- (d) All the above

1-c. Financial statement fraud is easiest to commit in organizations that: (CO2, K1) 1

- (a) have democratic leadership.
- (b) have a large internal audit department.
- (c) have a board of directors comprised primarily of outsiders.
- (d) have complex organizational structures.

1-d. _____ are the elements of fraud (CO2, K2) 1

- (a) The individual must know that the statement is untrue
- (b) There is an intent to deceive the victim

- (c) The victim relied on the statement & The victim is injured financially or otherwise
- (d) All of the above
- 1-e. P& L is called : (CO3, K1) 1
- (a) Income Statement
- (b) Position Statement
- (c) Trading Account
- (d) None of Above
- 1-f. Net profit is computed in the____. (CO3, K1) 1
- (a) Profit and loss account
- (b) Balance sheet
- (c) Trial balance
- (d) Trading account
- 1-g. Common-size Statement are also known as: (CO4, K2) 1
- (a) Dynamic Analysis
- (b) Horizontal Analysis
- (c) Vertical Analysis
- (d) External Analysis
- 1-h. The term 'Financial Statement' covers (CO4, K1) 1
- (a) Profit & Loss Statement
- (b) Balance sheet and Profit & Loss Statement appropriation account
- (c) Profit & Loss Statement and Balance sheet
- (d) All of above are false
- 1-i. A company that issues stocks and bonds to raise funds results in (CO5. K1) 1
- (a) Decrease in Cash
- (b) Increase in Cash
- (c) Increase in Equity
- (d) Increase in Liabilities
- 1-j. In cash flows, when a company invests in fixed assets and short-term financial investments results in (CO5, K1) 1
- (a) Increased Equity
- (b) Increased Liabilities
- (c) Decreased Cash
- (d) Increased Cash
2. Attempt all parts:-
- 2.a. Define accounting standards (CO1, K2) 2
- 2.b. List the contents of Journal. (CO2, K1) 2
- 2.c. Calculate COGS if Sales is Rs 400000 and Gross Profit is Rs150000. (CO3, K3) 2
- 2.d. Define active ratio. (CO4, K1) 2

2.e. Identify two advantages of preparing cash flow statement. (CO5, K2) 2

SECTION-B 30

3. Answer any five of the following:-

3-a. Describe the fundamental accounting equation .Also discuss its relation with revenue and expenses. (CO1, K2) 6

3-b. “Accounting equation is true under all circumstances” Justify this statement. (CO1, K5) 6

3-c. Differentiate between IFRS and Indian accounting standard. (CO2, K4) 6

3-d. Explain closing inventory. Illustrate the principle involved in its valuation.(CO2, K3) 6

3.e. Enumerate advantages of Ledger in accounting. (CO3, K2) 6

3.f. XYZ Ltd., a manufacturing company, reported the following financial data for the year ended 31st March 2024. The company had total sales revenue of ₹800 lakhs, with a cost of goods sold (COGS) amounting to ₹480 lakhs. Its operating expenses were ₹200 lakhs, and it paid ₹40 lakhs as interest on its loans. The company's tax liability for the year was ₹20 lakhs.

The balance sheet of XYZ Ltd. shows current assets of ₹300 lakhs, which include ₹100 lakhs in inventory. The company’s current liabilities stand at ₹180 lakhs. The total equity of the company is ₹500 lakhs, while its total liabilities amount to ₹700 lakhs, including ₹300 lakhs in long-term debt.

Based on this information, calculate the following ratios: (CO4, K3)

Current Ratio

Quick Ratio

Gross Profit Margin

3.g. Construct a cash flow statement using imaginary figures. (CO5, K6) 6

SECTION-C 50

4. Answer any one of the following:-

4-a. Distinguish between book keeping and accounting and explain how modern accounting software has changed the traditional roles of bookkeeping and accounting. (CO1, K4) 10

4-b. Explain the accounting equation in detail and its significance in financial accounting and Prepare an Accounting Equation from the following: (CO1, K3) 10
(i) Started business with cash ₹ 1,00,000.
(ii) Purchased goods for cash ₹ 20,000 and on credit ₹ 30,000.
(iii) Sold goods for cash costing ₹ 10,000 and on credit costing ₹ 15,000 both at a profit of 20%.

5. Answer any one of the following:-

5-a. Journalise the following transactions with narration in the books of Mr. Pritesh (CO2, K3) 10

2014

Feb.1 Purchase goods from Mr. Z of 15,000.

3 Cash purchases 3,000.

6 Sold goods worth 7,000.

10 Purchased goods from Mr. A of 2,500.

12 Paid to Mr. A 1,500 on account.

18 Sold goods to Mr. D of 4,000.

22 Received from Mr. D 3,000 on account.

25 Goods returned to Mr. A of 500 & balance paid in cash.

27 Rent paid 500

5-b. Journalise the following transactions in the books of Mr. Kalpesh. (CO2, K3) 10

2014

January 1 Mr. Kalpesh started diamond business with cash ` 10,00,000.

5 Mr. Kalpesh bought a raw stones of ` 4,50,000 as his capital.

8 Sold diamonds to Mr. Rahul for ` 7,00,000.

10 Purchased an Air condition for business ` 70,000.

13 Mr. Rahul paid cash ` 4,00,000 on a/c.

15 Paid labor charges ` 85,000.

18 Received commission ` 35,000.

22 Received cash from Mr. Rahul ` 2,80,000.

25 Paid electricity bill ` 3,000.

26 Diamond packet sold for ` 1,25,000.

30 Balance amount due from Mr. Rahul is not recoverable.

31 Withdraw for personal use ` 1,00,000

6. Answer any one of the following:-

6-a. State the difference between Trading, P&L and Balance Sheet. Also make trading and P&L account with imaginary figures. (CO3, K4) 10

6-b. Construct a Horizontal Format of Balance sheet with imaginary figures. (CO3, K6) 10

7. Answer any one of the following:-

7-a. Discuss the importance of liquidity for a business and calculate 'Liquidity Ratio' from the following information: (CO4, K3) 10

Current liabilities = Rs. 50,000

Current assets = Rs. 80,000

Inventories = Rs. 20,000

Advance tax = Rs. 5,000

Prepaid expenses = Rs. 5,000

7-b. From the following information, calculate – i)Trade receivables turnover ratio (CO4, K3) 10

ii)Average collection period

iii)Trade payable turnover ratio Given:

Revenue from Operations 8,75,000

Creditors 90,000

Bills receivable 48,000

Bills payable 2,000
Purchases 4,20,000
Trade debtors 59,000

8. Answer any one of the following:-

- 8-a. Define working capital also explain the different components of working capital in detail. (CO5, K2) 10
- 8-b. Mention the utility of preparing cash flow statement and solve the question. ABC Ltd. provides the following information for the year ended 31st March 2024: (CO5, K3) 10

1. Net Profit for the year: ₹1,20,000
2. Depreciation on Machinery: ₹20,000
3. Increase in Accounts Receivable: ₹10,000
4. Increase in Accounts Payable: ₹15,000
5. Purchase of Equipment: ₹40,000

Calculate the Net Cash Flow from Operating Activities and the Net Cash Flow for the year.

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