

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

NOIDA INSTITUTE OF ENGINEERING AND TECHNOLOGY, GREATER NOIDA

(An Autonomous Institute Affiliated to AKTU, Lucknow)

B.Tech

SEM: VII - THEORY EXAMINATION (2024 - 2025)

Subject: Finance for Engineers

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 which are of Long term nature, without any physical existence but, possessing a value are called (CO1,K1) 1
- (a) Intangible assets
- (b) Fixed assets
- (c) Current assets
- (d) Investments
- 1-b. Due to which concept, accounting does not record non-financial transactions? (CO1,K1) 1
- (a) Going concern concept
- (b) Money measurement concept
- (c) Accrual concept
- (d) Cost concept
- 1-c. The purpose of a common-size income statement is to: (CO2,K1) 1
- (a) Show the absolute values of revenues and expenses
- (b) Compare the profitability of different companies
- (c) Analyze the cash flow of a company
- (d) Track changes in equity over time
- 1-d. Return on Equity (ROE) measures: (CO2,K1) 1
- (a) A company's profitability relative to its sales

- (b) A company's profitability relative to its assets
- (c) A company's profitability relative to its equity
- (d) A company's ability to pay its debts
- 1-e. A Gantt chart is a visual tool used for: (CO3,K1) 1
- (a) Project scheduling
- (b) Risk assessment
- (c) Cost estimation
- (d) Financial analysis
- 1-f. A project has an initial investment of ₹30,000 and is expected to generate a single cash flow of ₹45,000 at the end of year 3. If the discount rate is 12%, calculate the Net Present Value (NPV) of the project. (CO3,K1) 1
- (a) 15000
- (b) 35454
- (c) 5454
- (d) 35000
- 1-g. The two concept of working capital are gross working capital and ----- (CO4,K1) 1
- (a) Net working capital
- (b) Average working capital
- (c) Opening working capital
- (d) Closing working capital
- 1-h. State the meaning of "working capital". (CO4,K1) 1
- (a) The difference between current assets and current liabilities
- (b) The total value of a company's assets
- (c) The amount of cash on hand
- (d) The company's long-term debt
- 1-i. The purpose of asset allocation in portfolio management is.....(CO5,K1) 1
- (a) Maximizing returns
- (b) Minimizing diversification
- (c) Spreading investments across different asset classes
- (d) Ignoring risk factors
- 1-j. The term "Blue Chip Stocks" refer to..... (CO5,K1) 1
- (a) Low-priced stocks
- (b) Stocks of well-established, financially stable companies
- (c) Technology stocks
- (d) Penny stocks

2. Attempt all parts:-

- 2.a. Show the effect of the following transaction on the accounting equation: A company purchases equipment for ₹10,000 cash. (CO1,K2) 2
- 2.b. State the formula for calculating the return on assets (ROA) ratio.(CO2,K2) 2
- 2.c. Explain the concept of the time value of money in project appraisal. (CO3,K2) 2
- 2.d. Explain the purpose of calculating the inventory turnover ratio. (CO4,K3) 2
- 2.e. Explain the relationship between liquidity and return in investments. (CO5,K2) 2

SECTION-B

30

3. Answer any five of the following:-

- 3-a. Pass the following Journal entries:s for the year August 2017: 6
- 01 Started business with Rs 1,70,000
- 03 Purchased goods for cash 3,000
- 05 Received cheque from Jasmeet 10,000
- 08 Sold goods for cash 7,000
- 12 Purchased goods and paid by cheque 20,000
- 15 Paid establishment expenses through bank 1,000
- 18 Cash sales 7,000
- 20 Deposited into bank 10,000 (CO1,K4)
- 3-b. Describe the different types of financial statements (income statement, balance sheet, statement of changes in equity) and their interrelationships. (CO1,K2) 6
- 3-c. Briefly Explain the purpose of the current ratio in financial analysis.CO2,K2 6
- 3-d. Discuss the different types of financial ratios and their uses in evaluating a company's performance. Include examples of liquidity ratios, solvency ratios, profitability ratios, and activity ratios in your answer. (CO2,K3) 6
- 3.e. Discuss the impact of globalization on project management practices. Explain how cultural differences and international regulations can influence project planning and execution in a globalized business environment. (CO3,K3) 6
- 3.f. Outline the key performance indicators (KPIs) used to measure the effectiveness of working capital management. Explain how these KPIs can help companies track their progress and identify areas for improvement. (CO4,K3) 6
- 3.g. Explain the concept of estate planning and its role in managing personal finances. Describe the tools and strategies used in estate planning, such as wills, trusts, and beneficiary designations.(CO5,K2) 6

SECTION-C

50

4. Answer any one of the following:-

- 4-a. 1st April, 2019, X Ltd. purchased a machine costing `4,00,000 and spent ` 50,000 on its installation. The estimated life of the machinery is 10 years, after which its residual value will be ` 50,000 only. The rate of depreciation is 10%. Prepare Machinery Account for the first three years as per Straight Line Method. The books are closed on 31st March every year. (CO1,K4) 10

4-b.

10

Suresh is a trader dealing in textiles. For the following transactions, pass journal entries for the month of January, 2018.

Jan.	Rs.
1 Commenced business with cash	70,000
2 Purchased goods from X and Co. on credit	30,000
3 Cash deposited into bank	40,000
4 Bought a building from L and Co. on credit	95,000
5 Cash withdrawn from bank for office use	5,000
6 Cash withdrawn from bank for personal use	4,000
7 Towels given as charities	3,000
8 Shirts taken for personal use	12,000
9 Sarees distributed as free samples	3,000
10 Goods (table clothes) used for office use	200

(CO1,K4)

5. Answer any one of the following:-

5-a. Prepare Trading and Profit and Loss Account and Balance Sheet of Jagat Shah as at 31st March, 2022 from the following balances: 10

Capital (Cr.) 3,60,000

Machinery 70000

Sales 820000

Purchase 400000

Sales Return 10000

Stock on 1st April, 2018 100000

Drawings 40000

Wages 100000

Carriage Inwards 5000

Salaries 60000

General Expenses 20000

Rent 50000

Purchase Return 5000

Debtors 300000

Cash 40000

Carriage outwards 20000

Advertising 20000

Creditors 50000

The Closing Stock was valued at ` 2,00,000. (CO2,K5)

5-b. From the following particulars, prepare a balance sheet of Mr. Somesh as at 31st March 2021: 10

Capital ₹5,50,000

Drawings ₹10,000

Sundry Debtors ₹1,00,000

Sundry Creditors ₹80,000

Loan From Bank ₹20,000

Net profit ₹1,60,000
Closing Stock ₹50,000
Plant and Machinery ₹1,50,000
Building ₹1,20,000
Land ₹ 3,00,000
Goodwill ₹ 50,000
Furniture and Fixtures ₹30,000 (CO2,K5)

6. Answer any one of the following:-

- 6-a. Elaborate on the different financing options available to startups, including seed funding, venture capital, and crowdfunding.(CO3,K2) 10
- 6-b. Explain the vital role of Public Sector Undertakings (PSUs) in the Indian economy. How have PSUs contributed to infrastructure development and employment generation?(CO3,K2) 10

7. Answer any one of the following:-

- 7-a. a) Discuss the importance of inventory management. b) A company has credit sales of ₹500,000 and average accounts receivable of ₹50,000. Calculate the Days Sales Outstanding (DSO). (CO4,K4) 10
- 7-b. a) Describe few techniques of inventory management. b) A company has a cash conversion cycle of 60 days, a Days Sales Outstanding (DSO) of 30 days, and Days Payable Outstanding (DPO) of 40 days. Calculate the company's Days Inventory Outstanding (DIO). (CO4,K3) 10

8. Answer any one of the following:-

- 8-a. 'In today's commercial world, the stock exchange performs many vital functions which lead the investors towards positive environment.' Explain how, by giving any four reasons..(CO5,K2) 10
- 8-b. Explain nature and scope of portfolio management.(CO5,K3) 10