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NOIDA INSTITUTE OF ENGINEERING AND TECHNOLOGY, GREATER NOIDA

(An Autonomous Institute Affiliated to AKTU, Lucknow)

MBA (Integrated)

SEM: II - THEORY EXAMINATION (2022-2023)

Subject: Financial Accounting-I

Time: 2.5 Hours

Max. Marks: 60

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

15

1. Attempt all parts:-

- 1-a. As per revenue recognition principle, sales revenues should be recognized at the time when: (CO1) 1
- (a) Order is taken for merchandise
 - (b) Ownership of goods gets transferred from the seller to the buyer
 - (c) Cash is received
 - (d) All of the above
- 1-b. A trial balance is prepared:(CO2) 1
- (a) After preparation financial statement.
 - (b) After recording transactions in subsidiary book
 - (c) After posting to ledger is complete
 - (d) After posting to ledger is complete and accounts have been balanced.
- 1-c. Under which depreciation method the amount of depreciation expenses remains same throughout the useful life of a fixed asset :(CO3) 1
- (a) Straight line method

- (b) Reducing balance method
(c) Number of units produced method
(d) Machine hours method
- 1-d. In hire purchase system cash price plus interest is known as: (CO4) 1
(a) Book value of assets
(b) Capital value of assets
(c) Hire purchase price of assets
(d) Market value of Assets
- 1-e. Goods of the invoice value Rs.2,50,000 sent out to consignee at 20% profit on cost. The loading amount will be:(CO5) 1
(a) Rs.40,000
(b) Rs.48,000
(c) Rs.50,000
(d) None of these

2. Attempt all parts:-

- 2.a. Write a short note on Dual Aspect Concept with example. (CO1) 2
2.b. Explain the purpose of preparing Profit and Loss A/c.(CO2) 2
2.c. The initial cost of the truck is Rs. 2,60,000 and the useful life of the asset is 10 years. The net scrap value is estimated to Rs. 60,000. Calculate the amount of depreciation to be charged every year using straight line method. (CO3) 2
2.d. Write a short note on Vendor.(CO4) 2
2.e. Give two advantages of consignment.(CO5) 2

SECTION B

15

3. Answer any three of the following:-

- 3-a. The Matching principle attempts to find satisfactory bases of association between expenses and revenue. Elaborate the statement with imaginary example.(CO1) 5
3-b. This information is provided by Mr. Neelesh 5
Stock on 01.04.2020 ₹ 20,000
During the year Sales was ₹ 4,06,000;
Purchases ₹ 2,94,000;
Carriage Inwards ₹ 8,000;
Clearing charges ₹ 10,000;
Dock Charges ₹ 2,000

Sales Return ₹6,000;
Purchases Return ₹ 4,000;
Stock on 31,03.2021 was ₹ 30,000.
Prepare Trading Account for the year ending 31.03.2021. (CO2)

- 3.c. Distinguish between the Straight-line method and the Written-down value method of calculating depreciation.(CO3) 5
- 3.d. Ram & Co. acquired a motor lorry on hire- purchase basis. It has to make cash down payment of ₹ 1,00,000 at the beginning. The payments to be made subsequently are ₹ 2,63,000; ₹ 1,85,000 and ₹ 1,14,000 at the end of first year, second year and third year respectively, Interest charged is @ 14% per annum. Calculate the cost price of motor lorry and Interest paid in each installment. (CO4) 5
- 3.e. Joint Venture is different from Partnership. Elaborate.(CO5) 5

SECTION C

30

4. Answer any one of the following:-

- 4-a. Define Personal, Real and Nominal Accounts. Explain Golden rules of Accounting.(CO1) 6
- 4-b. "Accounting standard ensures the consistency and comparability of financial statements". Explain. (CO1) 6

5. Answer any one of the following:-

- 5-a. Define Profit & Loss account or Income Statement. Prepare the format of profit & loss account.(CO2) 6
- 5-b. Prepare Trading and Profit and Loss Account and Balance Sheet of Jagat Shah as at 31st March, 2022 from the following balances: 6
- Capital 3,60,000
Machinery 70000
Sales 820000
Purchase 400000
Sales Return 10000
Opening Stock 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)

6. Answer any one of the following:-

- 6-a. Explain the concept of Written down value method. Discuss its advantages and disadvantages.(CO3) 6
- 6-b. Explain Depreciation and various factors on which the amount of depreciation depends.(CO3) 6

7. Answer any one of the following:-

- 7-a. Explain the Hirer under Hire Purchase System. Illustrate some journal entries to be passed in the books of Hire Purchaser with an example.(CO4) 6
- 7-b. Maheer purchases a car on hire-purchase system on April 1,2020. The total cash price of the car is `3,30,000 payable ` and 1,00,000 on signing of the agreement (Down Payment) . The three equal annual installments of 1,00,000 payable on 31st March for 3 years. Interest is charged at 15% per annum. You are required to calculate interest paid by the buyer to seller each year.(CO4) 6

8. Answer any one of the following:-

- 8-a. State the difference between Consignment and Hire Purchase System.(CO5) 6
- 8-b. Define Joint Venture and its purpose. Differentiate between Joint venture a/c and Joint venture with co-venturer a/c.(CO5) 6