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Roll. No:

NOIDA INSTITUTE OF ENGINEERING AND TECHNOLOGY, GREATER NOIDA

(An Autonomous Institute Affiliated to AKTU, Lucknow)

MBA (Integrated)

SEM: II - THEORY EXAMINATION (2025 - 2026)

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:-

(1.1) 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

(1.2) Transactions are first recorded in which book/account: (CO2,K1) 1

(a) Book of Original Entry
(b) T Accounts
(c) Accounting Equation
(d) Book of Final Entry

(1.3) According to fixed instalment method, the depreciation is calculated on: (CO3,K1) 1

(a) Balance amount
(b) Original cost
(c) Scrap value
(d) None of them

(1.4) An agreement of hiring with option to buy is _____________.(CO4,K1) 1

(a) installment system.
(b) credit system.
(c) hire purchase system.
(d) cash system.

(1.5) From the following expenses of the consignee will be considered as non-selling expenses:(CO5,K2) 1

(a) Advertisement

(b) Insurance

(c) Selling Expenses

(d) None of the above

2. Attempt all parts:-

(2.1) Explain the accrual basis of accounting. (CO1,K2) 2

(2.2) Discuss Trail Balance and Its types.(CO2,K2) 2

(2.3) 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,K3) 2

(2.4) Write a short note on Hire-Purchase System.(CO4,K1) 2

(2.5) Difference between Consignment and Sales(CO5,K2) 2

SECTION-B 15

3. Answer any <u>three</u> of the following:-

(3.1) Explain the meaning and significance of the business entity. (CO1,K2) 5

(3.2) Give the name of different types of Accounts. Explain the various principles of accounting used for those accounts. (CO2,K2) 5

(3.3) X-Company Ltd purchased A Machinery on 1st April 2020 for ₹8,50,000, Installation Expenses paid ₹1,20,000 and freight paid on Machinery ₹30,000. The books are closed on 31st March every year. Depreciation is charged at the rate of 12% p.a. by the fixed instalment method. Calculate annual depreciation.(CO3,K3) 5

(3.4) Smita Purchased a truck on hire purchase system. As per terms she is required to pay Rs. 70000 down, Rs. 50000 at the end of 1st year , Rs.45000 at the end of 2nd year and Rs. 52000 at the end of 3rd year. Interest is charged @10% p.a. You are required to calculate the total cash price of the truck and the interest paid with each instalment. (CO4,K4) 5

(3.5) "Joint Venture is a temporary partnership". Comment and explain how it differs from the partnership.(CO5,K2) 5

SECTION-C 30

4. Answer any <u>one</u> of the following:-

(4.1) Explain the purpose of accounting information for different user groups such as owners, creditors, investors, and government authorities. (CO1,K2) 6

(4.2) Explain any two of the following: a)Money measurement concept b)Principle of consistency c)Principle of Conservatism d) Accounting Period concept (CO1,K2) 6

5. Answer any <u>one</u> of the following:-

(5.1) Write the process of preparing a ledger from a journal. (CO2,K1) 6

(5.2) Enter the following transactions in the Journal of Manohar Lal & Sons.:- 6
2019 ₹
March 1 Manohar Lal & Sons started the business with cash of Rs. 60,000

2 Purchased furniture for cash Rs. 10,000
4 Purchased goods for cash Rs. 25,000
5 Bought goods from Kamlesh Rs. 15,000
10 Paid cash to Kamlesh Rs. 15,000
16 Purchased goods from Sohan Rs.6,000
18 Purchased goods from Sohan for cash Rs. 8,000
20 Paid rent for the office Rs.1,000 (CO2,K4)

6. Answer any <u>one</u> of the following:-

(6.1)	Discuss the different methods of depreciation . Explain the Straight Line Method with suitable example.(CO3,K2)	6
(6.2)	Write short notes on (i) LIFO (ii) FIFO (CO3,K2)	6

7. Answer any <u>one</u> of the following:-

(7.1)	Define inventory control. Elaborate on the importance of inventory control in business. (CO4,K1)	6
(7.2)	Mr. salman purchased a machine from Ahmad Motors on hire purchase agreement the terms of the agreement were Rs.4000 Payable down Rs. 6000 at the end of first year , Rs. 5000 at the end of 2nd year, and Rs,2000 at the end of third year. The cash price of the machine is Rs. 15980. The vendor charges interest at the rate of 5% on the annual balance. Give the Journal entries in the books of Mr. Salman. (CO4,K3)	6

8. Answer any <u>one</u> of the following:-

(8.1)	Explain the consignment account and difference between consignment and sale with the help of example (CO5,K2).	6
(8.2)	State the difference between Consignment and Hire Purchase System.(CO5,K2)	6