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Subject Code:- AMIBA0202

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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 (20.... - 20.....)

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. The debts which are to be repaid within a short period (a year or less) are referred to as, (CO1,K1) 1
- (a) Current Liabilities
- (b) Fixed liabilities
- (c) Contingent liabilities
- (d) All the above
- 1-b. Trade Expenses are shown in :(CO2,K1) 1
- (a) Trading Account
- (b) None of these
- (c) Profit & Loss Account
- (d) Balance Sheet
- 1-c. The historical cost of inventory is usually measured by:(CO3,K1) 1
- (a) First in, first out (FIFO)
- (b) Weighted average cost (AVCO)
- (c) Last in, first out (LIFO)
- (d) All of the above
- 1-d. In hire purchase system cash price plus interest is known as: (CO4,K1) 1
- (a) Book value of assets
- (b) Capital value of assets

- (c) Hire purchase price of assets
- (d) Market value of Assets
- 1-e. Stock Left overtaken by a Co- Venture is (CO5,K1) 1
- (a) Debit to Joint Venture A/c
- (b) Credit to Co- Venturer A/C
- (c) Credit to Joint venture A/c
- (d) Credit to Joint Bank A/c
2. Attempt all parts:-
- 2.a. State briefly the merits of issuing accounting standards. (CO1,K2) 2
- 2.b. Explain the golden rules of Journalising.(CO2,K2) 2
- 2.c. Define Periodical system of Inventory.(CO3,K2) 2
- 2.d. State any two features of Hire Purchase System.(CO4,K2) 2
- 2.e. Explain the purpose and importance of Joint venture.(CO5,K2) 2

SECTION-B

15

3. Answer any three of the following:-

- 3-a. Define Double Entry Rules. Explain the Concepts and Conventions of Accounting with the help of suitable example.(CO1,K2) 5
- 3-b. From the following particulars, prepare a balance sheet of Mr. Somesh as at 31st March 2021: 5
- 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,K4)
- 3.c. Enumerate the main objectives of Inventory valuation.(CO3,K2) 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,K4) 5
- 3.e. Umesh purchased goods of ₹ 1,95,000 for the venture and paid ₹ 7,000 for selling expenses. Umesh accepted a bill for 3 months of ₹ 95,000 drawn by Urmila as an

advance. This bill was discounted immediately by Urmila for ₹.92,000 and the amount of discount was charged to joint venture A/c. Umesh sold all the goods for ₹. 5,00,000.

At the end of the venture, the accounts were settled. Give journal entries for the above transactions, in the books of Urmila and Show Joint Venture Account and Urmila's Account, in the books of Umesh. (CO5,K4)

SECTION-C

30

4. Answer any one of the following:-

4-a. Explain in detail the objectives and purpose of accounting standard.(CO1,K2) 6

4-b. "Accounting standard ensures the consistency and comparability of financial statements" . Explain. (CO1,K2) 6

5. Answer any one of the following:-

5-a. Enter the following transactions in the Journal of Sahil Bros. : 6
2018 ₹

October 1 Purchased goods from Anil for Cash Rs. 40,000

3 Purchased goods from Atul Rs. 75,000

6 Returned goods to Atul Rs. 3,000

8 Paid cash to Atul Rs. 50,000

10 Sold goods to Charu Rs.1,00,000

12 Charu returned 20% of goods

15 Paid rent Rs. 2,000

20 Sahil withdrew for personal use Rs. 10,000 (CO2,K4)

5-b. Prepare Trading and Profit and Loss Account and Balance Sheet of Jagat Shah as 6
at 31st March, 2022 from the following balances:

Capital 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,K4)

6. Answer any one of the following:-

- 6-a. Berlia Ltd. Purchased a second hand machine for Rs.56,000 on July 01, 2011 and spent Rs.24,000 on its repair and installation and Rs.5,000 for its carriage. On September 01, 2012, it purchased another machine for Rs.2, 50,000 and spent Rs.10,000 on its installation.
Prepare machinery account and depreciation account from the year 2011 to 2014, if depreciation is provided on machinery @10% p.a. on written down value method annually on December 31.(CO3,K4) 6
- 6-b. Describe the objectives of inventory Valuation.Discuss the factor determining the investment in inventory.(CO3,K3) 6

7. Answer any one of the following:-

- 7-a. 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,K4) 6
- 7-b. "In hire purchase ownership of the property is transferred to the hirer on the payment of the last installment." explain the statement.(CO4,K2) 6

8. Answer any one of the following:-

- 8-a. Define a joint venture and give its various features. Name the different methods used to record joint venture transactions.(CO5,K2) 6
- 8-b. Give the various journal entries to be passed in case where no separate set of books are maintained for recording joint venture transactions.(CO5,K2) 6