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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 (2024 - 2025)

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 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. Sales less Direct Expense is known as: (CO2,K1) 1
- (a) Liabilities
 - (b) Assets
 - (c) Gross Profit
 - (d) Net Profit
- 1-c. Give the full form of FIFO .(CO3,K1) 1
- (a) First in First Out
 - (b) Final Input Final Output
 - (c) Finished Stock in Finished Stock Out
 - (d) Fabrications Inward Fabrications Outward
- 1-d. Under hire purchase system the seller is called _____.(CO4,K1) 1
- (a) Buyer
 - (b) Hirer

- (c) hire vendor.
- (d) debtor.
- 1-e. 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.a. Define the branches of accounting. (CO1,K1) 2
- 2.b. On which side of the balance sheet are prepaid expenses shown?.(CO2,K2) 2
- 2.c. State Two demerits of SLM method.(CO3,K1) 2
- 2.d. Describe the rights of Hirer under Hire Purchase System.(CO4,K2) 2
- 2.e. Differentiate between Joint venture and Partnership.(CO5,K2) 2

SECTION-B

15

3. Answer any three of the following:-

- 3-a. You are an investor and you want to invest the money into A Ltd. Discuss the things you would like to take care of and which accounting information you will check it and its reasons. (CO1,K3) 5
- 3-b. Record the following transactions in the journal of Delhi Furniture Mart:- 5
- a) Kailash started business by investing cash Rs. 25,000. He bought goods of Rs.2,000 and furniture of Rs.250
- b) Purchased building for cash Rs.5,000
- c) Purchased goods for cash Rs.1,300
- d) Paid carriage inward Rs. 20
- e) Sold goods for cash Rs.1,375
- f) Sold goods for cash to Shanker Rs. 120
- g) Sold goods to Shambhu on credit Rs.2,315
- h) Purchased goods on credit Rs. 1,200 from XYZ
- i) Paid freight Rs. 60
- j) Deposited cash into bank Rs.4,800
- k) Paid salary Rs. 230
- (CO2,K4)
- 3.c. Using FIFO on the following information to calculate the value of ending inventory and the total cost of goods sold as for the accounting period of March. 5
- March 1 Beginning Inventory 60 units @ Rs. 900.00
- March 5 Purchase 140 units @Rs. 930.00
- March 14 Sale 190 units @ Rs.1140.00
- March 27 Purchase 70 units @ Rs.960.00
- March 29 Sale 30 units @ Rs.1170.00 (CO3,K4)
- 3.d. A Ltd. purchased a machine on hire purchase basis from Alok Machinery Co. Ltd. 5

on the following terms:

Cash price Rs. 100,000

Down payment at the time of signing the agreement on 1.1.2022 ` Rs. 22,722.
5 annual instalments of Rs. 14,400, the first to commence at the end of twelve months from the date of down payment.

Rate of interest is 10% p.a. You are required to calculate the total interest and interest included in cash instalment.(CO4,K4)

- 3.e. Explain the concept of Consignment and Joint Venture with reference to their features and accounting treatment. (CO5,K3) 5

SECTION-C 30

4. Answer any one of the following:-

- 4-a. Describe the role of accounting in the modern world.(CO1,K3) 6

- 4-b. Define Accounting Standards. Explain the procedure adopted for the formulation accounting standard. Also, discuss its objective.(CO1,K2) 6

5. Answer any one of the following:-

- 5-a. Enter the following transactions in the Journal of M/s Tripathi Bros. :- 6
2019 ₹

Jan. 6 Sold goods for cash Rs.36,000

8 Sold goods to Hari Rs. 30,000

14 Received cash from Hari Rs.18,000

26 Received Commission Rs. 750

27 Paid Salary to Gopal Rs.1,200

28 Received cash from Hari Rs. 12,000

29 Withdrew cash from office for personal use Rs. 4,000

30 Wages paid Rs. 7,200

30 Bought Machinery for Cash Rs. 8,000 (CO2,K4)

- 5-b. From the following balances extracted from the books of X & Co., prepare a trading and profit and loss account and balance sheet on 31st December, 1991 6
Rs. Rs

Stock on 1st January 11,000 Returns outwards 500

Bills receivables 4,500 Trade expenses 200

Purchases 39,000 Office fixtures 1,000

Wages 2,800 Cash in hand 500

Insurance 700 Cash at bank 4,750

Sundry debtors 30,000 Rent and rates 1,100

Carriage inwards 800 Carriage outwards 1,450

Commission (Dr.) 800 Sales 60,000

Interest on capital 700 Bills payable 3,000

Stationary 450 Creditors 19,650

Returns inwards 1,300 Capital 17,900

The stock on 21st December, 1991 was valued at Rs. 25,000. (CO2,K4)

6. Answer any one of the following:-

- 6-a. Raman Traders purchased machinery on 1st Jan 2016 FOR Rs. 500000. On 6

1.1.2018 the machinery was sold for Rs. 400000. The firm charges depreciation at the rate of 15% per annual under the Straight Line Method. The books are closed on 31st March every year. Prepare the Machinery account and Depreciation account.(CO3,K4)

- 6-b. Compute the valuation of the inventory by FIFO (Perpetual System). 6
Opening Inventory is 8 Units @ Rs. 10 at start of December and during the year the following were the purchases and sales of inventory:

2/12/2021 Purchased 6 units @ Rs. 12
15/12/2021 Sold 4 units @ Rs. 22
22/12/2021 Purchased 10 Units @ Rs. 16
31/12/2021 Sold 14 units @ Rs. 25 (CO3,K4)

7. Answer any one of the following:-

- 7-a. Mr. salman purchased a machine from Ahmad Motors on hire purchase agreement 6
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)

- 7-b. Discuss the accounting treatment for Hire Purchase transactions, including the 6
journal entries and ledger accounts in the books of both the Hire Vendor and Hire Purchaser for large-value items. (CO4,K4)

8. Answer any one of the following:-

- 8-a. Explain the important features of joint stock company.(CO5,K2) 6

- 8-b. Vishnu of Vijayawada consigned goods value of Rs. 50,000 to Shiva; of 6
Secunderabad. Vishnu paid transport charges Rs. 4,000 and drew a bill of two months on Shiva for Rs. 30,000 as advance. The bill was discounted with bankers for Rs. 29,500. Shiva sent the account sales of the consignment stating that the entire stock was sold for Rs. 72,000; Cartage 2,000; Commission 3,000 and a Bank Draft for the balance. Prepare necessary accounts in the books of Vishnu.(CO5,K4)