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NOIDA INSTITUTE OF ENGINEERING AND TECHNOLOGY, GREATER NOIDA**(An Autonomous Institute Affiliated to AKTU, Lucknow)****MCA (Integrated)****SEM: III - THEORY EXAMINATION (2024 - 2025)****Subject: Accounting and Financial Management****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 main objective of depreciation is (CO1,K2)

1

- (a) To show the previous profit
- (b) To calculate net profit
- (c) To reduce tax
- (d) To satisfy the tax department

1-b. Cost or expenses must be recorded at the same time as the revenue to which they correspond is specified by which principle? (CO1,K2)

1

- (a) Matching Principle
- (b) Going Concern Principle
- (c) Consistency Principle
- (d) Prudence Principle

1-c. Ind AS will apply to __. (CO2,K3)

1

- (a) both consolidated as well as standalone financials of the company.
- (b) Only consolidated financials
- (c) Only standalone financials
- (d) Optional

1-d. Closing stock in Trial Balance is shown in____(CO2,K2)

1

- (a) Liability Side
- (b) Asset side

- (c) Trading Account
 - (d) P&L
- 1-e. Main objective of Common Size Statement of Profit & Loss is : (CO3,K4) 1
- (a) To present changes in assets and liabilities
 - (b) To judge the financial soundness
 - (c) To establish relationship between revenue from operations and other items of statement of Profit & Loss
 - (d) All of the Above
- 1-f. In a balance sheet, how are fixed assets usually presented (CO3,K2) 1
- (a) After current liabilities
 - (b) Before current assets
 - (c) After current assets
 - (d) Before fixed liabilities
- 1-g. Which ratio is considered as safe margin of solvency? (CO4,K2) 1
- (a) Liquid ratio
 - (b) Quick ratio
 - (c) Current ratio
 - (d) None of the above
- 1-h. Debt-equity ratio is a sub-part of: (CO4,K2) 1
- (a) Short-term solvency ratio
 - (b) Long-term solvency ratio
 - (c) Debtors turnover ratio
 - (d) None of the above
- 1-i. Cash Sales is a _____. (CO5,K2) 1
- (a) Operating Activity
 - (b) Financing Activity
 - (c) Investing Activity
 - (d) All the above
- 1-j. Negative WC implies: (CO5,K4) 1
- (a) $CA > CL$
 - (b) $CL > CA$
 - (c) $CA = CL$
 - (d) None of above

2. Attempt all parts:-

- 2.a. Give two characteristics of business transaction. (CO1,K2) 2
- 2.b. Define IFRS .Explain its assumptions. (CO2,K3) 2
- 2.c. Differentiate between Cash Discount and Trade Discount. (CO3,K4) 2
- 2.d. Write the formula of inventory turnover and return on capital employed 2

ratio. (CO4,K2)

2.e. Discuss the features of working capital management.(CO5,K3) 2

SECTION-B 30

3. Answer any five of the following:-

3-a. “Revenue earned and cost of earning that revenue should be properly identified for a period” Explain (CO1,K3) 6

3-b. Distinguish between cash basis and accrual basis of accounting. (CO1,K4) 6

3-c. Write short notes on the following 6
Contingent liabilities
Accrued incomes
Unearned incomes
Provision for doubtful debts (CO2,K2)

3-d. Discuss the accounting standard specified by ICAI. (CO2,K2) 6

3.e. Give the rules of debit and credit and explain them with imaginary examples. (CO3,K3) 6

3.f. Discuss the importance to do time series analysis of financial ratio. (CO4,K4) 6

3.g. Explain the procedure of preparing cash flow statement. (CO5,K3) 6

SECTION-C 50

4. Answer any one of the following:-

4-a. Prepare accounting equation from the following information. (CO1,K3) 10
Sandeep started business with cash Rs1,00,000
Purchased furniture with cash Rs5,000
Purchased goods for cash Rs20,000
Purchased goods on credit Rs36,000
Paid rent Rs700
Goods costing Rs40,000 sold at a profit of 20% for cash.

4-b. Explain different types of Accounting and its users (CO1,K2) 10

5. Answer any one of the following:-

5-a. Double entry system is based on upon the principle that “Every debit has a credit and every credit has a debit”. In view of this explain the important features of double entry system. (CO2,K3) 10

5-b. Journalise the following transactions with narration in the books of Mr. Pritesh 10
2024
Feb.1 Purchase goods from Mr. Z of 15,000.
3 Cash purchases 3,000.
6 Sold goods worth 7,000.
10 Purchased goods from Mr. A of 2,500.
12 Paid to Mr. A 1,500 on account.
18 Sold goods to Mr. D of 4,000.
22 Received from Mr. D 3,000 on account.
25 Goods returned to Mr. A of 500 & balance paid in cash.

27 Rent paid 500 (CO2,K3)

6. Answer any one of the following:-

6-a. Discuss the types of adjustments that are commonly made while preparing final accounts.(CO3,K3) 10

6-b. Summarize the main objectives of preparing final accounts.(CO3,K3) 10

7. Answer any one of the following:-

7-a. Explain the significance of comparative analysis when using financial ratios to evaluate a company's performance. (CO4,K3) 10

7-b. Company ABC has the following financial information: 10

Net Income: 1,200,000

Total Assets: 5,000,000

Total Liabilities: 2,000,000

Shareholders' Equity: 3,000,000

Sales Revenue: 3,500,000

Cost of Goods Sold: 1,500,000

Operating Expenses: 800,000

Current Assets: 1,200,000

Current Liabilities: 500,000

a) Calculate the following ratios:

Return on Assets (ROA)

Return on Equity (ROE)

Current Ratio

Debt to Equity Ratio

Gross Profit Margin

b) Provide an interpretation of each ratio and its implications for the company. (CO4,K4)

8. Answer any one of the following:-

8-a. Explain the needs and objectives of working capital.(CO5,K3) 10

8-b. Illustrate how financial analysts use the cash flow statement in conjunction with other financial statements for a comprehensive analysis of a company. (CO5,K4) 10