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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. Gross profit is (CO1, K1)

1

- (a) Cost of goods sold + Opening stock
- (b) Sales – cost of goods sold
- (c) Sales – Purchases
- (d) Net profit – expenses

1-b. The correct form of Accounting equation is (CO1, K1)

1

- (a) Assets – Receivable = Equity
- (b) Assets + Receivable = Equity
- (c) Assets – Liabilities = Equity
- (d) Assets + Liabilities = Equity

1-c. Human Resource Accounting concept was developed by: (CO2, K1)

1

- (a) Stephen Knauf
- (b) Rensis Likert
- (c) S k Chakraborty
- (d) Flamhoitz

1-d. The following job check accounting in ledgers and financial statements ____.(CO2, K1)

1

- (a) Financial
- (b) Audit

- (c) Management
- (d) Budget
- 1-e. Bank is a ____ account.(CO3, K1) 1
- (a) Personal
- (b) Nominal
- (c) Real
- (d) All of above
- 1-f. Report gives a review on the profitability of a business- (CO3, K1) 1
- (a) Statement of changes in equity
- (b) Cash flow statement
- (c) Balance sheet
- (d) Income statement
- 1-g. Current ratio is stated as a crude ratio because (CO4, K1) 1
- (a) It measures only the quantity of current assets
- (b) It measures only the quality of current assets
- (c) Both a and b
- (d) Offerings dimension
- 1-h. The liquid assets do not include (CO4, K1) 1
- (a) inventory
- (b) Cash
- (c) Both a and b
- (d) None of the above
- 1-i. Among the following which are non-current assets. (CO5, K1) 1
- (a) Land, Building and plant
- (b) Leasehold property
- (c) Computer software
- (d) All of the above
- 1-j. _____ working capital refers to the difference between current assets and current liabilities.(CO5, K1) 1
- (a) Distinctive
- (b) Net
- (c) Gross
- (d) Hard Core
2. Attempt all parts:-
- 2.a. Define accounting and explain its characteristics. (CO1, K2) 2
- 2.b. Give two example of Personal account. (CO2, K2) 2
- 2.c. Name the main components of final accounts. (CO3, K2) 2
- 2.d. Define active ratio. (CO4, K1) 2

2.e. Provide the formula for calculating working capital.(CO5, K2) 2

SECTION-B 30

3. Answer any five of the following:-

3-a. Explain basis of accounting and also give their advantages and disadvantages.(CO1, K2) 6

3-b. Show the effect of the following transactions on the Accounting Equation. (CO1, K3) 6

- (i) Purchased furniture for cash ₹ 10,000
- (ii) Sold goods for cash ₹ 5,000 (Cost ₹ 3,000)
- (iii) Paid rent ₹ 1,200

3-c. Pass the journal entry of the following (CO2, K4) 6

- 1. Commenced business with cash ₹ 1,00,000
- 2. Purchased goods for cash ₹ 25,000
- 3. Sold goods to Ravi on credit ₹ 15,000
- 4. Paid salary to staff ₹ 5,000
- 5. Received cash from Ravi ₹ 10,000
- 6. Paid electricity bill ₹ 1,200

3-d. Prepare a trading and profit /loss account and a balance sheet with the help of imaginary figures. (CO2, K4) 6

3.e. From the following balances of Mr. Sharma for the year ended 31st March 2024, prepare **Trading Account, Profit and Loss Account.** (CO3, K4) 6

Particulars	Amount (₹)
Capital	1,50,000
Drawings	10,000
Purchases	1,20,000
Sales	2,00,000
Returns Inward (Sales Returns)	5,000
Returns Outward (Purchase Returns)	3,000
Wages	15,000
Salaries	12,000
Rent Paid	8,000
Insurance	4,000
Office Furniture	20,000
Stock (Opening)	30,000
Stock (Closing)	25,000
Debtors	18,000
Creditors	22,000
Cash in Hand	5,000

	Particulars	Amount (₹)	
	Bank Balance	10,000	
3.f.	Explain the significance of various measure of ratio of return on investment. (CO4, K2)		6
3.g.	"Should a firm finance its working capital requirements only with short term financing". Comment. (CO5, K2)		6

SECTION-C

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4. Answer any one of the following:-

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|------|------------------------------------------------------------------------------------------------------------------------------------------------|----|
| 4-a. | Explain different types of assets with example. (CO1, K2) | 10 |
| 4-b. | The following transactions took place during the year for Mr. Aryan, who is carrying on a business. Prepare the accounting equation: (CO1, K4) | 10 |

1. **Started business** with ₹50,000 in cash.
2. **Purchased goods** worth ₹30,000 on credit.
3. **Sold goods** for ₹50,000, out of which ₹30,000 was received in cash and the remaining on credit.
4. **Paid rent** of ₹5,000 in cash.
5. **Paid wages** of ₹7,000 in cash.
6. **Bought office equipment** for ₹10,000 in cash.
7. **Received ₹5,000** from debtors.
8. **Paid creditors** ₹10,000 in cash.
9. **Withdrew ₹3,000** for personal use.

5. Answer any one of the following:-

- | | | |
|------|--------------------------------------------------------------------------------------------------------------------------------|----|
| 5-a. | The following transactions occurred during the month of April 2024 for M/s. Kumar Traders. Pass the journal entries. (CO2, K3) | 10 |
|------|--------------------------------------------------------------------------------------------------------------------------------|----|

1. **April 1:** Started business with cash ₹50,000 and furniture worth ₹10,000.
2. **April 5:** Purchased goods worth ₹20,000 on credit from Mr. Mehra.
3. **April 8:** Sold goods worth ₹30,000 to Mr. Gupta, ₹15,000 cash, and the balance on credit.
4. **April 12:** Paid rent of ₹5,000 in cash.
5. **April 15:** Received ₹12,000 from Mr. Gupta, the amount due for the goods sold on credit.
6. **April 18:** Paid ₹8,000 as wages in cash.
7. **April 20:** Purchased office supplies worth ₹2,000 in cash.
8. **April 22:** Sold goods worth ₹25,000 on credit to Mr. Sharma.
9. **April 25:** Paid ₹10,000 to Mr. Mehra, part payment for the goods purchased earlier.
10. **April 28:** Withdrew ₹4,000 for personal use.

- 5-b. Explain **Accounting Standards (AS)**, and discuss its importance for financial reporting. (CO2, K3) 10
6. Answer any one of the following:-
- 6-a. Prepare Horizontal Format of Balance Sheet using imaginary figures. (CO3, K3) 10
- 6-b. Discuss ethical considerations that accountants must take into account when preparing final accounts. How do ethical practices contribute to the integrity and reliability of financial reporting? (CO3, K2) 10
7. Answer any one of the following:-
- 7-a. Define turnover ratios and solve the following (CO4, K3) 10
Opening Inventory ₹1,00,000; Closing Inventory ₹1,50,000;
Purchases ₹6,00,000; Carriage ₹25,000; Wages ₹2,00,000. Compute Inventory Turnover Ratio.
- 7-b. State the need of financial analysis. Discuss the role of ratio analysis technique in financial analysis (CO4, K2) 10
8. Answer any one of the following:-
- 8-a. Explain the importance of cash flow forecasting for businesses, and outline the steps involved in creating a cash flow forecast. (CO5, K2) 10
- 8-b. Discuss the importance of working capital in ensuring the liquidity and profitability of a business and potential consequences of having too much or too little working capital for a business. (CO5, K2) 10