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NOIDA INSTITUTE OF ENGINEERING AND TECHNOLOGY, GREATER NOIDA
(An Autonomous Institute Affiliated to AKTU, Lucknow)

MBA MF

SEM: I - THEORY EXAMINATION (2025 - 2026)

Subject: Financial Accounting and Cost 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. GAAP stands for, (CO1, K1)

1

- (a) Generally Accepted Accounting Principles
- (b) General Accounting Audit Policy
- (c) Government Accounting Procedures
- (d) Global Accounting Principles

1-b. Cash account is a,(CO1, K1)

1

- (a) Real account
- (b) Personal account
- (c) Nominal account
- (d) Representative account

1-c. Trial balance is prepared to,(CO2, K1)

1

- (a) Check arithmetical accuracy
- (b) Find profit
- (c) Prepare balance sheet
- (d) Record transactions

1-d. Posting means,(CO2, K2)

1

- (a) Transfer from journal to ledger
- (b) Recording in journal
- (c) Balancing ledger
- (d) Preparing trial balance

1-e. Cost sheet is a statement showing,(CO3, K1)

1

- (a) Cost of production
 - (b) Profit & loss
 - (c) Cash flow
 - (d) Balance sheet
- 1-f. Sunk cost is,(CO3, K2) 1
- (a) Already incurred cost
 - (b) Future cost
 - (c) Variable cost
 - (d) Relevant cost
- 1-g. Cash budget shows,(CO4, K1) 1
- (a) Profit position
 - (b) Cash inflows & outflows
 - (c) Cost control
 - (d) Sales forecast
- 1-h. Standard cost is,(CO4, K2) 1
- (a) Actual cost
 - (b) Estimated future cost
 - (c) Predetermined cost
 - (d) Replacement cost
- 1-i. Marginal costing considers,(CO5, K1) 1
- (a) Fixed cost only
 - (b) Variable cost only
 - (c) Total cost
 - (d) Opportunity cost
- 1-j. Break-even chart shows relationship between, (CO5, K2) 1
- (a) Cost, volume & profit
 - (b) Sales & assets
 - (c) Income & expenditure
 - (d) Cash inflow & outflow

2. Attempt all parts:-

- 2.a. Explain the double entry system with its advantages and limitations.,(CO1, K2) 2
- 2.b. Discuss the role of financial statements in managerial decision-making.,(CO2, K4) 2
- 2.c. Differentiate between direct and indirect costs with examples.,(CO3, K4) 2
- 2.d. Explain flexible budgeting and its advantages over fixed budgeting.,(CO4, K2) 2
- 2.e. Explain the concept of break-even point (BEP) and its assumptions.,(CO5, K2) 2

SECTION-B 30

3. Attempt all parts:-

3.a. Answer any one of the following:-

- 3.a.(i) Journalise the following transactions: Owner invested Rs. 50,000 cash, purchased goods Rs. 10,000 on credit, sold goods for cash Rs. 15,000, paid salaries Rs. 6

- 5,000.,(CO1, K3)
- 3.a.(ii) Discuss the role of ethics in accounting and its impact on business decisions.,(CO1, K2) 6
- 3.b. Answer any one of the following:-
- 3.b.(i) Prepare a trial balance from the following balances: Cash Rs. 20,000, Capital Rs. 50,000, Purchases Rs. 15,000, Sales Rs. 30,000, Rent Rs. 2,000, Wages Rs. 5,000, Debtors Rs. 10,000, Creditors Rs. 8,000.,(CO2, K3) 6
- 3.b.(ii) Explain the differences between cash book and journal with suitable examples.,(CO2, K2) 6
- 3.c. Answer any one of the following:-
- 3.c.(i) Differentiate between direct and indirect costs with examples.,(CO3, K3) 6
- 3.c.(ii) Discuss the importance of cost classification in managerial decision-making.(CO3, K2) 6
- 3.d. Answer any one of the following:-
- 3.d.(i) Explain the objectives and importance of a cash budget in managerial decision-making.,(CO4, K2) 6
- 3.d.(ii) Discuss the types of variance in standard costing and their managerial significance.,(CO4, K2) 6
- 3.e. Answer any one of the following:-
- 3.e.(i) Explain the significance of margin of safety and calculate it: Actual sales Rs. 60,000, Break-even sales Rs. 50,000.,(CO5, K3) 6
- 3.e.(ii) Explain the role of marginal costing in short-term business decisions such as pricing, discontinuation of product, etc.,(CO5, K2) 6

SECTION-C 50

4. Answer any one of the following:-
- 4-a. Journalise the following transactions.,(CO1, K3) 10
- 1.Purchased machinery for Rs. 25,000 cash
 - 2.Sold goods on credit Rs. 18,000
 - 3.Received cash from debtor Rs. 10,000
 - 4.Paid creditor Rs. 5,000
 - 5.Owner withdrew cash Rs. 2,000
- 4-b. From the following, prepare journal entries.,(CO1, K3) 10
- 1.Owner started business with cash Rs. 60,000 and goods Rs. 10,000
 - 2.Purchased goods on credit Rs. 20,000
 - 3.Sold goods for Rs. 30,000, 60% cash and 40% credit
 - 4.Paid rent Rs. 4,000
5. Answer any one of the following:-
- 5-a. Discuss the objectives of preparing journal with example.,(CO2, K2) 10
- 5-b. Define trial balance. Explain the errors occurring in trial balance with examples. (CO2, K2) 10
6. Answer any one of the following:-
- 6-a. Discuss the importance of cost accounting and cost classification in managerial decision-making.,(CO3, K4) 10

- 6-b. Prepare a cost sheet including profit: Materials Rs. 40,000, Labor Rs. 20,000, Overheads Rs. 10,000, Profit 20% on total cost. Units produced 1,000.,(CO3, K3) 10
7. Answer any one of the following:-
- 7-a. Explain the concept of Variance Analysis. Discuss its importance in managerial decision-making.,(CO4, K4) 10
- 7-b. Explain how cash budget, flexible budget, and variance analysis together help management in planning and control.,(CO4, K4) 10
8. Answer any one of the following:-
- 8-a. Calculate **Contribution per unit and Profit** from the following: 10
- 1
- Selling price Rs. 60 per unit; Variable cost Rs. 40 per unit; Fixed cost Rs. 20,000; Units sold 2,000. (CO5, K3)
- 8-b. Define Make or Buy Decision? Explain the factors influencing this decision.,(CO5, K4) 10