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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 (2025 - 2026)

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 Going Concern concept assumes the business will: (CO1, K1)

1

- (a) Shut down soon
- (b) Continue indefinitely
- (c) Sell assets every year
- (d) Liquidate liabilities

1-b. If owner brings additional capital, equation shows: (CO1, K1)

1

- (a) Increase in liabilities
- (b) Decrease in assets
- (c) Increase in assets and capital
- (d) Decrease in capital

1-c. Closing stock in Trial Balance is shown in___.(CO2, K1)

1

- (a) Liability Side
- (b) Asset side
- (c) Trading Account
- (d) P&L

1-d. An income statement is based on which ONE of the following equations: (CO2, K1)

1

- (a) Profit=Income-Expenses
- (b) Profit=Expenses-Income
- (c) Profit-=FA+CA
- (d) None of above

1-e. In a balance sheet, how are fixed assets usually presented (CO3, K1)

1

- (a) After current liabilities
 (b) Before current assets
 (c) After current assets
 (d) Before fixed liabilities
- 1-f. _____ is the purpose of closing entries in final accounts. (CO3, K1) 1
- (a) To open a new financial year
 (b) To transfer net profit or loss to the owner's capital
 (c) To record the payment of dividends
 (d) To adjust for depreciation
- 1-g. Debt-equity ratio is a sub-part of: (CO4, K1) 1
- (a) Short-term solvency ratio
 (b) Long-term solvency ratio
 (c) Debtors turnover ratio
 (d) None of the above
- 1-h. Collection of debtors will :(CO4, K1) 1
- (a) Decreases current ratio
 (b) Increases current ratio
 (c) Has no effect on current ratio
 (d) None of the above
- 1-i. There are ___ approaches of Working Capital Management. (CO5, K1) 1
- (a) 1
 (b) 2
 (c) 3
 (d) 4
- 1-j. A _____ net working capital will arise when current assets exceed current liabilities. (CO5, K1) 1
- (a) Positive
 (b) Net WC
 (c) Zero
 (d) Dsitinct

2. Attempt all parts:-

- 2.a. Define personal account and its rule. (CO1, K1) 2
- 2.b. Discuss any two standards issued by ICAI. (CO2, K2) 2
- 2.c. Calculate COGS if Sales is Rs 400000 , Opening Stock is Rs150000, Purchase is 50000 and Closing stock is Rs30000.(CO3, K3) 2
- 2.d. Write the formula of inventory turnover and return on capital employed ratio. (CO4, K1) 2
- 2.e. Provide two examples of cash inflows from operating activities. (CO5, K2) 2

SECTION-B

30

3. Attempt all parts:-

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

- 3.a.(i) "Accounting influenced by personal judgment". Comment. (CO1, K5) 6
- 3.a.(ii) Show the effect of the following on the Accounting Equation. (CO1, K3) 6
- (i) Started business with cash ₹ 45,000
- (ii) Opened a Bank Account with a deposit of ₹ 4,500
- (iii) Bought goods from M/s. Sun & Co. for ₹ 11,200.

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

- 3.b.(i) Explain the benefits of IFRS. (CO2, K2) 6
- 3.b.(ii) Prepare a trading and profit /loss account and a balance sheet with the help of imaginary figures. (CO2, K4) 6

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

- 3.c.(i) Provide a detailed explanation of the components typically found in a balance sheet (CO3, K2) 6

- 3.c.(ii) 6

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

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
Bank Balance	10,000

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

- 3.d.(i) Explain the significance and limitation of ratio analysis. (CO4, K2) 6
- 3.d.(ii) Explain the significance and limitations of the debt equity ratio as a measure of the firms solvency. (CO4, K2) 6

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

- 3.e.(i) Explain how working capital management policies affect the profitability liquidity for the firm? (CO5, K2) 6
- 3.e.(ii) Discuss the features of working capital management.(CO5, K2) 6

SECTION-C

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4. Answer any one of the following:-

- 4-a. Prepare an Accounting Equation and Balance Sheet on the following basis: (CO1, K3) 10
- (i) Ajeet started business with cash ₹ 20,000.
 - (ii) He purchased furniture for ₹ 2,000.
 - (iii) He paid rent of ₹ 200.
 - (iv) He purchases goods on credit ₹ 3,000.
 - (v) He sold goods (cost price ₹ 2,000) for ₹ 5,000 on cash.
- 4-b. Distinguish between fixed asset and current assets. Give 3 example of each. (CO1, K4) 10

5. Answer any one of the following:-

- 5-a. Record the following transactions in the Journal . (CO2, K3) 10
- Oct 1st : Neel started the business with a capital of 80,000
3rd : Bought goods from Karl on credit 20,000
4th : Sold goods to Tarl 25,000
5th : Cash purchases 25,000
7th : Cash sales 15,000
9th : Goods returned to Karl 2,000
10th : Bought furniture for 15,000
11th : Cash paid to Karl 12,000
12th : Goods returned by Tarl 3,000
14th : Goods taken by Neel for personal use 3,000
15th : Cash received from Tarl 12,000
16th : Took loan from Parl 30,000
17th : Salary paid 5,000
18th : Bought stationery for 1,000
19th : Amount paid to Parl on loan account 18,000
20th : Interest received 4,000
- 5-b. "Accounting standard ensures the consistency and comparability of financial statements." Explain. (CO2, K2) 10

6. Answer any one of the following:-

- 6-a. Discuss the main objectives and users of final accounts. (CO3, K2) 10
- 6-b. Construct a Horizontal Format of Balance sheet with imaginary figures. (CO3, K6) 10

7. Answer any one of the following:-

- 7-a. Company ABC has the following financial information: (CO4, K3) 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

b) Provide an interpretation of each ratio and its implications for the company.

7-b. Discuss how trend analysis using financial ratios provide insights into a company's financial performance over time. (CO4, K2) 10

8. Answer any one of the following:-

8-a. Discuss the relationship between financing activities in the cash flow statement and a company's capital structure decisions. (CO5, K2) 10

8-b. Argue how cash flow ratios, such as the operating cash flow ratio and free cash flow to equity, can be used to evaluate a company's financial health. (CO5, K6) 10

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