

FACULTY OF ENGINEERING**BE (ECE/M/PIAE/IT) III – Semester (AICTE) (Main & Backlog) Examination, July 2021****Subject: Finance & Accounting****Time: 2 hours****Max. Marks: 70****Note: Missing data, if any, may be suitably assumed.****PART – A****Answer any five questions.****(5x2 = 10 Marks)**

- 1 Write the rules of Accounting.
- 2 Write about Ledger Account.
- 3 How prepaid Expenses treated in Final Accounts given in adjustments?
- 4 Explain convention of consistency.
- 5 What is Capital Market? Explain.
- 6 What is Financial Market?
- 7 Explain about NPV method.
- 8 Write about Internal Rate of Return.
- 9 What is Creditor's turnover Ratio?
- 10 Explain Internet coverage Ratio.

PART – B**Answer any four questions.****(4x15 = 60 Marks)**

- 11 a) Write any three accounting concepts.
b) Write Journal Entries for the following transactions:
1-3-2010 Rahul Commenced business with capital of Rs.50,000
2-3-2010 Purchase Machinery for cash Rs. 20,000.
3-3-2010 sold goods to Vivek Rs. 5,000.
4-3-2010 Rent paid to landlord Rs. 10,000
5-3-2010 Withdrawn Cash from bank Rs.15,000.
- 12 Prepare Trading, Profit and Loss Account and Balance sheet as on 31-12-2015.

Particulars	Debit (Rs.)	Credit(Rs.)
Cash in hand	2,000	
Cash at Bank	17,100	
Purchases, sales	50,000	1,20,600
Debtors, Creditors	17,000	9,400
Wages	12,400	
Carriage	4,200	
Fuel, Power	6,000	
Returns	700	600
Opening stock	6,800	
Machinery	25,000	
Furniture	9,000	
Salaries	20,000	
General Expenses	4,000	
Travelling Expenses	1,400	
Drawings	5,000	
Capital		50,000
	1,80,600	1,80,600

Adjustments: 1) Closing stock Rs.8,000**2) Provide depreciation @ 15% on Machinery and furniture****3) Outstanding salaries Rs.1,000****4) Maintain bad debts @ 5% on Sunday Debtors.**

- 13 a) Draw a structure of Indian Financial Market.
b) Explain Financial System concepts.
- 14 From the following details of two machines x and y each costing Rs.1,20,000 and having a life of 4 Years Cash flow after tax are as follows:
Rate of return is 8%, Compare the project using profitability Index method.

Year	Machine x (Rs.)	Machine y (Rs.)
1	65,000	20,000
2	50,000	35,000
3	35,000	50,000
4	20,000	80,000

- 15 Calculate
a) Gross Profit Ratio
b) net profit
c) Operating ratio from the following particulars:
Sales Rs.5,00,000 cost of goods sold Rs.3,00,000 operating Expenses Rs.1,00,000 Non-Operating Expenses Rs.20,000.

- 16 Prepare three column cash book from the following
September 2009
1st Cash in hand Rs.600, Cash at bank Rs.4,500
2nd deposited in Bank Rs.750
4th Cash sales Rs.6,500
8th Withdrawn from bank for office use Rs.950.
10th Salaries paid Rs.900
11th Cheque received from Mr. X deposited in bank Rs.450
31st Withdrawn from bank for personal use Rs.300

- 17 Prepare an Analytical Petty Cash book.
1-4-2013 Received cash from the head cashier Rs.300
5-4-2013 Purchase Postage stamps Rs.20.
7-4-2013 Paid stationary Rs.36.
8-4-2013 Paid for charge Rs. 16
15-4-2013 Paid for taxi hire Rs.30
20-4-2013 paid office Expenses Rs.44.
25-4-2013 Paid to Kamal Rs.36.
30-4-2013 Sent telegram to Mumbai Rs.32.
