



Name:	
Enrolment No:	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, 2019

Course: Financial Accounting	Semester: I
Programme: MBA (IB)	Code: FINC 7002
Time: 03 hrs.	Max. Marks: 100
Instructions: Scientific Calculator is allowed	
NOTE : ATTEMPT ALL QUESTIONS	

S. N o	Multiple Choice Questions	Ma rks	C O
1	The degree of solvency of two firms can be compared by measuring a) Net worth b) Tangible Net Worth c) Asset coverage ratio d) Debt Equity Ratio.	2	3
2	EPS = _____	2	2
3	Share Holders Fund = _____	2	2
4.	For estimating the amount of depreciation which of the following concept of time value is applicable: a) Present Value b) Present Value Compounding c) Annuity d) Annuity Compounding	2	1
5	Outstanding Salary is a a) Representative Personal Account b) Real Account c) Nominal Account d) Natural Personal Account	2	4

6	Decrease in the value of an irreplacable asset is known as a) Depletion b) Depreciation c) Dilapidation d) Amortization	2	4
7	The variable cost is a cost: a) Which changes in total in proportion to changes in output b) Which is partly fixed and partly variable in relation to output c) Which do not change in total during a given period despise changes in output d) Which remains same for each unit of output	2	3
8	Cost Assessment provides the valuation of stock on the basis of a) Cost or market price whichever is less b) Cost price c) Cost or market price whichever is higher d) Both (a) &(b) above	2	1
9	General reserve is created on the basis of convention of- a) Conservatism b) Uniformity c) Materiality d) Full disclosure	2	1
10	The amount invested by the owner should be credited to a) Cash account b) Capital account c) Drawing account d) Bank account	2	2
SECTION B			
11	Write a short note on “Price Earning Ratio”.	5	4
12	Write a short note on “Debt Equity Ratio”.	5	3
13	Write a short note on “Retiurn on Investment”.	5	4
14	Write a short note on “Inventory Turn over Ratio”.	5	3
SECTION-C			
15	The following is the trial balance of M/s X. Prepare Manufacturing, Trading, profit and	10	3

	<p>Cost incurred during the period:</p> <p>Materials purchased 2,50,000, Wages paid 2,00,000, Carriage inward 2,000, Consumable Stores 10,000, Wages of Storekeeper 7,000, Depreciation of Plant & Machinery 10,000, Materials destroyed by Fire 5,000, Repairs & Renewals 5,010, Office Manager's Salary 10,000, Salary to Office Staff 20,500, Printing & Stationary 10,000, Power 10,500, Lighting for Office Building 2,000, Carriage outward 3,000, Freight 5,000, Entertainment 2,500, Warehousing charges 1,500, Legal charges 2,000, Expenses for participating in Industrial exhibition 6,000.</p> <p>Closing Stock:</p> <p>(i) Raw material 35,000,</p> <p>(ii) Work-in-Progress 14,500, and</p> <p>(iii) Finished Stock 40,030.</p> <p>Profit 25% on cost.</p>		
17	Discuss the mode of preparation of a cash flow statement with suitable examples.	10	5
SECTION D			
18	XYZ purchases an asset worth Rs 8,00,000 with an estimated scrap value of Rs 1,00,000 and useful life of 5 years. The company intends to invest the depreciation in the market and charge depreciation by sinking fund method. The expected rate of interest is 12% per annum during the period of investment. At the end of the life of the asset the investments were sold at a value of Rs 8,60,000. The asset was sold at a scrap of Rs 60,000. Pass necessary journal entries and prepare a schedule of depreciation and prepare depreciation fund investment, depreciation fund and asset account	30	4