

BACHELOR OF BUSINESS ADMINISTRATION
Retail Management
Subject: Accounting and Financial Management
Subject Code: MFM-512
Semester: First
December 2021
Theory (External): 70 Marks
Time: 03 Hours

Instructions to the Students

1. This Question paper consists of two Sections. All sections are compulsory.
2. Section A comprises 10 questions of objective type in nature. All questions are compulsory. Each question carries 2 marks.
3. Section B comprises 8 essay type questions out of which students need to do any 5. Each question carries 10 marks.
4. Read the questions carefully and write the answers in the answer sheets provided.
5. Do not write anything on the question paper.
6. Wherever necessary, the diagram drawn should be neat and properly labelled

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5. Calculate the cost of capital in the following cases:
 - i) Bright Ltd. issues 10% Debentures of face value Rs. 100 each and realizes Rs. 90 per Debenture. The Debentures are redeemable after 10 years at a premium of 15%.
 - ii) Shiny Ltd. issues 12% preference shares of face value Rs. 100 each Rs. 94 per share. The shares are repayable after 14 years at par. Note: Both companies are paying income tax at 50%?
6. Calculate the net present value (NPV) of a project which requires an initial investment of Rs. 2,50,000/- and it is expected to generate a net cash flow of Rs. 40,000 each month for 12 months. Assume that the salvage value of the project is zero. The target rate of return is 12% per annum.
7. What are the salient features of optimum capital structure? Why there is a need of optimum capital structure for any business entity?
8. The financial accounting is done considering step by step procedure? Discuss these steps in brief with examples.

==END OF THE PAPER==

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SECTION –A (SHORT/OBJECTIVE TYPE QUESTIONS)
(10x2=20 Marks)

- A. What is direct expenditure?
- B. What is double entry system?
- C. What is accrual principle?
- D. What is going concern concept?
- E. What is SGST and CGST?
- F. What is tax deducted at source?
- G. What is closing stock?
- H. What is net profit?
- I. What is time value of money?
- J. What is NPV?

SECTION –B (ESSAY TYPE QUESTIONS)
(5x10=50 Marks)

1. Journalise the following transactions and making posting in ledger-
 - i. Cheque for Rs. 5000/- received from Yash dishonored.
 - ii. Purchased goods from Yugveer for Rs. 10,000/- paid Rs. 5000/- in cash.
 - iii. Goods worth Rs. 1,000 given in charity.
 - iv. Received interest on loan from the debtor Rs. 150/-.
 - v. Rs. 550 due from Rahul is bad debt.
2. 'If trial balance tallies, it can be concluded that there are no errors in the books of accounts.' Comment on the statement.
3. How physical verification and valuation of stock is done as per Accounting Standard 2?
4. Prepare bank reconciliation statement considering the following particulars given in passbook-
 - i. Bank overdraft as per cash book on 30th April 2018, Rs. 2000/-.
 - ii. Cheques issued but not presented for payment Rs. 1350/-
 - iii. Cheques deposited but not yet collected by the banker Rs. 560/-
 - iv. Bank charges Rs. 80 made by the bank not yet entered in the cash book.
 - v. Interest on investments collected by the bankers and credited in the pass book amounted to Rs. 905/-.