

TEST -2 EXAMINATIONS- 2026

B. Tech-IV Semester (All Branches)

COURSE CODE (CREDITS): 25B1WHS431(3)

MAX MARKS: 25

COURSE NAME: Introduction to Finance & Accounts

COURSE INSTRUCTOR: TGM

MAX. TIME: 1 Hour 30 Min

**Note:** (a) All questions are compulsory.

(b) The candidate is allowed to make Suitable numeric assumptions wherever required for solving problems

(c) Use of calculator is allowed

Q. No	Question	CO	Marks																																																
Q1	<p>Given below is the balance sheet of an organisation. Explain how the four financial decisions are being reflected in this Balance Sheet.</p> <table border="1"> <thead> <tr> <th>Liabilities</th> <th>2023-04</th> <th>Asset</th> <th>2023-04</th> </tr> </thead> <tbody> <tr> <td>Equity Share Capital</td> <td>300000</td> <td>Goodwill</td> <td>200000</td> </tr> <tr> <td>Reserve &amp; Surplus</td> <td>150000</td> <td>Land &amp; Building</td> <td>300000</td> </tr> <tr> <td>8% Debenture</td> <td>200000</td> <td>Plant &amp; Machinery</td> <td>250000</td> </tr> <tr> <td>Secured loan</td> <td>400000</td> <td>Patent</td> <td>50000</td> </tr> <tr> <td>Creditors</td> <td>50000</td> <td>Stocks</td> <td>150000</td> </tr> <tr> <td>Bills Payable</td> <td>25000</td> <td>Debtor</td> <td>100000</td> </tr> <tr> <td>Bank Overdraft</td> <td>40000</td> <td>Bills Receivable</td> <td>80000</td> </tr> <tr> <td>Outstanding Expenses</td> <td>10000</td> <td>Marketable Securities</td> <td>18000</td> </tr> <tr> <td>Tax Liabilities</td> <td>15000</td> <td>Cash</td> <td>40000</td> </tr> <tr> <td></td> <td></td> <td>Prepaid Expenses</td> <td>2000</td> </tr> <tr> <td></td> <td>1900000</td> <td></td> <td>1190000</td> </tr> </tbody> </table>	Liabilities	2023-04	Asset	2023-04	Equity Share Capital	300000	Goodwill	200000	Reserve & Surplus	150000	Land & Building	300000	8% Debenture	200000	Plant & Machinery	250000	Secured loan	400000	Patent	50000	Creditors	50000	Stocks	150000	Bills Payable	25000	Debtor	100000	Bank Overdraft	40000	Bills Receivable	80000	Outstanding Expenses	10000	Marketable Securities	18000	Tax Liabilities	15000	Cash	40000			Prepaid Expenses	2000		1900000		1190000		5
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Q2	<p>What are the advantages of equity capital over other sources of finance? Are the same advantages available for preference capital as well? Why / why not?</p>		6																																																
Q3	<p>a) Calculate the EMI for a car loan of Rs. 15,00,000 @ 9% for a 7 year period</p> <p>b) Calculate the present value of the benefits of a pension plan which promises to pay Rs. 10,00,000 at the end of 10<sup>th</sup> year from now and Rs. 1,00,000 every year for the next 20 years starting from the 11<sup>th</sup> year. Assume a discount rate of 10%.</p>		3 4																																																
Q4	<p>Explain when and why a Debenture Redemption Reserve is created?</p>		2																																																
Q5	<p>Write short notes on : Straight line method of depreciation, Gross profit, Real accounts.</p>		3																																																
Q6	<p>Write down the journal entries for purchasing a machinery costing Rs. 10,00,000 on credit from Hardware Enterprises on January 10<sup>th</sup>, 2025 and making a payment of Rs. 5,00,000 by cheque on the 12<sup>th</sup> of January, 2026 for the same.</p>		2																																																