

**JAYPEE UNIVERSITY OF INFORMATION TECHNOLOGY, WAKNAGHAT**

**T1 EXAMINATION- February, 2020**

**B.Tech IV Semester (All Branches)**

**COURSE CODE: 10B11PD411**

**MAX. MARKS: 15**

**COURSE NAME: Financial Management**

**MAX. TIME: 1 Hour**

**COURSE CREDITS: 3**

*Note: Carrying of mobile phone during examinations will be treated as case of unfair means. Make suitable assumptions wherever necessary.*

Q1. The following balances were extracted from the books of Snow White & Co. on 31-12-2017. You are required to arrange them in a Trial Balance and prepare the P. & Loss a/c and Balance Sheet on 31-12-2017.

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Purchases	1,12,50,000	Creditors	28,12,500	Cash in hand	1,83,750
Capital	93,09,375	Discount allowed	1,50,000	Machinery	13,12,500
Inventories	37,50,000	Bank Balance	46,87,500	Sales Return	5,62,500
Sales	1,68,75,000	General Expenses	5,62,500	Building	22,50,000
Discount received	84,375	Bad Debts	75,000	Repairs	1,87,500
Debtors	26,25,000	Furniture	9,37,500	Purchase Return	1,87,500
Carriage outwards	22,500	Wages and Salaries	11,25,000	Rent Received	2,25,000
Interest Earned	1,87,500				

Adjustments: Closing stock is valued at Rs. 500000. Depreciate building by 5% and machinery by 10%. Gross profit is Rs. 20,00,000.

(2+2+2=6 marks) CO2

2. Journalise the following transactions and prepare the bank ledger account.

- Soham started business with a transfer to Rs. 2,00,000 cash to the business's bank account and a building worth Rs. 10,00,000.
- Purchased goods worth Rs.1,00,000 on credit from Wholesalers Ltd.
- Sold goods for cash Rs. 70,000.
- Deposited in the bank Rs. 50,000.

e) Issued cheque for telephone expenses Rs. 5000.

(2.5+1.5=4 marks) CO2

3. Explain briefly the preemptive right and the right in liquidation of an equity shareholder.

(2 marks) CO1

4. Describe briefly the four decisions in finance.

(2 marks) CO1

5. Why is the objective of wealth maximization considered superior to profit maximization?

(1 mark) CO1

WU 11 EXAMINATION FEBRUARY 2020