

Ms. Trambica Gautam

JAYPEE UNIVERSITY OF INFORMATION TECHNOLOGY, WAKNAGHAT  
TEST -1 EXAMINATION, FEBRUARY 2019  
B.Tech IV Semester

Course Code: 10B11PD411  
Course Name: Financial Management  
Course Credits: 03

MAX. MARKS: 15

MAX. TIME: 1 Hr

Note: All questions are compulsory. Carrying of mobile phone during examinations will be treated as case of unfair means.

Q1. Record the following transactions in the journal of Rama Enterprises.

| Date          | Transaction   |
|---------------|---|
| 2018, March 1 | Started business with Rs. 100000 cash and Rs. 1000000 deposit in the bank.      |
| March 2       | Paid rent for office premises Rs. 10000.  |
| March 5       | Purchased goods worth Rs. 300000 from Khan Bros. paid by cheque.                |
| March 8       | Sold goods to Shikha Enterprises on credit of two weeks, Rs 150000.             |
| March 10      | Purchased printer for office use, paid Rs20000 in cash.                         |
| March 15      | Received from Shikha Enterprises Rs 145000 in full settlement of their account. |

(0.5\*6=3marks) CO1

Q2. Based on the following Trial Balance, prepare the Trading and Profit and Loss account and Balance Sheet of Srijan Trading for the year ended 31<sup>st</sup> December, 2017.

| Name of account        | Dr. (Rs.) | Cr. (Rs.) | Name of account   | Dr. (Rs.)     | Cr. (Rs.)     |
|------------------------|-----------|-----------|-------------------|---------------|---------------|
| Return Outwards        |           | 16000     | Bank Balance      | 45000         |               |
| Furniture and Fixtures | 34200     |           | Carriage Inwards  | 6000          |               |
| Salaries               | 12000     |           | Rent Received     |               | 3000          |
| Sundry Creditors       |           | 28000     | Discount allowed  | 2000          |               |
| Purchases              | 100000    |           | Capital           |               | 55200         |
| Bills Payable          |           | 20000     | Machinery         | 18000         |               |
| Sundry debtors         | 15000     |           | Returns Inward    | 3000          |               |
| Carriage Outwards      | 5000      |           | Discount Received |               | 4000          |
| Insurance Expense      | 6000      |           | Building          | 20000         |               |
| Sales                  |           | 140000    | <b>Total</b>      | <b>266200</b> | <b>266200</b> |

Depreciate Machinery @10% and the Stock on 31<sup>st</sup> December, 2017 is valued at Rs. 20000

(2+2+2=6 marks) CO1

Q3. a) How is wealth maximization a better objective as compared to profit maximisation for financial management?

b) Explain four advantages of Debentures as a source of finance.

c) Describe the limited liability and separate legal identity features of the company form of organization.

(2\*3=6 marks) CO1, CO4