



- a) Purchase  
c) Cash transaction
- b) Sales  
d) All of these
- (ix) Payment of salary is recorded by  
a) Debiting Salary A/c; Crediting Cash A/c  
c) Debiting Employee A/c; Crediting Cash A/c
- b) Debiting Cash A/c; Crediting Salary A/c  
d) Debiting Employee A/c; Crediting Salary A/c
- (x) Relate capital budgeting with the following options.  
a) Financing decision  
c) Dividend decisions
- b) Investment decision  
d) Operating decision
- (xi) An investment of 10000 is fetching a cash inflow of 3000, 3000 and 4000 for the next 3 years. Calculate the payback period.  
a) 3 years  
c) 5 years
- b) 4 years  
d) 2.5 years
- (xii) A company raised preference share capital of Rs. 1,00,000 by the issue of 10% preference share of Rs. 10 each. Find out the cost of preference share capital when it is issued at 10% premium.  
a) 0.0709  
c) 0.09089999999999999
- b) 0.0809  
d) 0.1009
- (xiii) Dividend now = Rs. 2; Price now = Rs. 27.50; Growth = 10%. Calculate the cost of equity.  
a) 0.15  
c) 0.22
- b) 0.17  
d) 0.18
- (xiv) Choose among the following which illustrates the use of a hedging (or matching) approach to financing.  
a) Short-term assets financed with long-term liabilities.  
c) Short-term assets financed with equity.
- b) Permanent working capital financed with long-term liabilities.  
d) All assets financed with a 50 percent equity, 50 percent long-term debt mixture.
- (xv) Select the one which varies inversely with profitability.  
a) Liquidity  
c) Adaptability
- b) Risk  
d) Fungibility

### Group-B

(Short Answer Type Questions)

3 x 5=15

2. Explain Petty Cash Book. (3)
3. Define Accounting Standards. (3)
4. Define Amortization. (3)
5. Explain Sub divisions of journal. (3)
6. Express the difference between working capital ratio and acid test ratio. (3)

OR

Write the difference between payback period and discounted payback period. (3)

### Group-C

(Long Answer Type Questions)

5 x 6=30

7. Describe the functions of accounting. (5)
8. Journalize the following transactions: a. Invested Rs.50000 in cash as capital. b. Purchased furniture for Rs.5000 in cash. c. Deposited Rs.30000 in SBI. d. Sold office furniture for Rs.10000 in cash e. Withdrawn Rs,45000 from SBI for personal use. (5)
9. Explain Discount allowed & Discount received with examples. (5)
10. Calculate the future value of Rs. 10000 at the end of 3 years, 5 years and 10 years at an interest rate of 10%. (5)

11. Calculate the present value of each of the following cash flows using a discount rate of 13 per cent: Rs. 6,000 cash inflow one year from now, Rs. 7,000 cash inflow three years from now. (5)
12. The cash inflow for next two years are Rs. 20000 and Rs. 30000 respectively against a cash outflow of Rs. 40000 now. Evaluate the NPV if the required rate of return is 10%. (5)

**OR**

The cash inflow for next two years are Rs. 20000 and Rs. 30000 respectively against a cash outflow of Rs. 50000 now. Evaluate the NPV if the required rate of return is 10%. (5)

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