Subject Code:- AOE0870

Roll. No:

NOIDA INSTITUTE OF ENGINEERING AND TECHNOLOGY, GREATER NOIDA

(An Autonomous Institute Affiliated to AKTU, Lucknow)

B.Tech

SEM: VIII - THEORY EXAMINATION (2023 - 2024)

Subject: Finance for Engineers

Time: 3 Hours

Printed Page:- 05

General Instructions:

IMP: *Verify that you have received the question paper with the correct course, code, branch etc.*

1. This Question paper comprises of three Sections -A, B, & C. It consists of Multiple Choice *Questions (MCQ's) & Subjective type questions.*

2. *Maximum marks for each question are indicated on right -hand side of each question.*

3. *Illustrate your answers with neat sketches wherever necessary.*

4. Assume suitable data if necessary.

5. *Preferably, write the answers in sequential order.*

6. No sheet should be left blank. Any written material after a blank sheet will not be evaluated/checked.

SECTION A

1. Attempt all parts:-

- A principle that states expenses should be recorded in the period they are 1-a. 1 incurred is called:(CO1)
 - (a) Revenue Recognition
 - (b) Matching Principle
 - (c) Cost Principle
 - (d) Full Disclosure

1-b. A decrease in equity is recorded as..(CO1)

- (a) Credit
- (b) Debit
- (c) Liability
- (d) Asset
- An asset that is expected to be converted into cash within one year is classified 1-c. 1 as:(CO2)
 - (a) Long-term Asset

1

Max. Marks: 100

20

- (b) Current Liability
- (c) Current Asset
- (d) Intangible Asset
- 1-d. Total assets minus total liabilities equals...(CO2)
 - (a) Net Income
 - (b) Gross Profit
 - (c) Equity
 - (d) Revenue
- 1-e. A technique that calculates the present value of future cash flows to evaluate a 1 project is:...(CO3)

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- (a) Payback Period
- (b) Net Present Value (NPV)
- (c) Internal Rate of Return (IRR)
- (d) Profitability Index
- 1-f. The public sector bank that primarily finances the agricultural sector in India 1 is:(CO3)
 - (a) State Bank of India (SBI)
 - (b) National Bank for Agriculture and Rural Development (NABARD)
 - (c) Industrial Development Bank of India (IDBI)
 - (d) Indian Bank
- 1-g. The formula for calculating net working capital is:(CO4)
 - (a) Current Assets + Current Liabilities
 - (b) Current Assets Current Liabilities
 - (c) Fixed Assets Current Liabilities
 - (d) Current Assets / Current Liabilities
- 1-h. The approach that matches the maturity of assets with the maturity of liabilities 1 is:(CO4)
 - (a) Conservative Approach
 - (b) Aggressive Approach
 - (c) Matching Approach
 - (d) Moderate Approach
- 1-i. The term for the mix of different asset classes in a portfolio is:(CO5)
 - (a) Asset Allocation

- (b) Risk Management
- (c) Tax Planning
- (d) Wealth Maximization
- 1-j. An example of a low-risk investment option is:(CO5)
 - (a) Equity Shares
 - (b) Real Estate
 - (c) Government Bonds
 - (d) Derivatives

2. Attempt all parts:-

2.a.	Define the term "Accounting".(CO1)	2
2.b.	Define ratio analysis.(CO2)	2
2.c.	Discuss capital expenditure with an example.(CO3)	2
2.d.	Calculate the EOQ from the available particulars,(CO4)	2
	Consumption of material per annum: 10,000kg	
	• Cost of making an order: ₹25	
	• Cost of raw material per kg: ₹5	

1

2

30

6

- Storage cost: 10% on average inventory
- 2.e. Define balanced funds.(CO5)

SECTION B

3. Answer any five of the following:-

- 3-a. Pass the journal entries with the help of available data:(CO1) Business started with Rs. 50,000. Goods sold with Rs. 35,000. Goods purchased with Rs. 10,000. Rent paid Rs. 5,000 Commission paid rs. 1,000 and Salaries paid Rs. 15,000
- 3-b. Differentiate between straight line method and diminishing method of 6 depreciation.(CO1)
- 3-c. Discuss the key differences between an income statement and a cash flow 6 statement.(CO2)

- 3-d. Explain the followings:(CO2)
 Current ratio
 Liquidity ratio and
 Debt-equity ratio
- 3.e. Explain the role of cost accounting in project management.(CO3)
- 3.f. Explain the matching approach and aggressive approach in working 6 capital.(CO4)
- 3.g. Explain the primary functions of a stock market.(CO5)

SECTION C

4. Answer any one of the following:-

- 4-a. Explain the golden rules of passing journal entries with suitable 10 examples.(CO1)
- 4-b. A company purchased a vehicle for Rs. 20,000 with an estimated useful life of 5 10 years and a salvage value of Rs.5,000. Prepare a depreciation schedule using the straight-line method for the entire useful life of the vehicle.(CO1)

5. Answer any one of the following:-

- 5-a. Explain the importance of comparative financial statements in financial analysis 10 for a company.(CO2)
- 5-b. Calculate and Interpret Financial Ratios:(CO2)
 Given the following financial data, calculate the current ratio, quick ratio, and debt to equity ratio. Interpret the results and discuss the company's liquidity and financial stability.
 Current Assets: Rs. 30,000
 Inventory: Rs. 10,000
 Current Liabilities: Rs.15,000
 Total Debt: Rs. 40,000
 Total Equity:Rs. 60,000

6. Answer any one of the following:-

- 6-a. Explain the Profitability Index (PI) and its use in project appraisal. Discuss how 10 PI is calculated.(CO3)
- 6-b. Calculate the Profitability Index for a project with an initial investment of Rs. 10 120,000 and expected cash inflows of Rs.40,000 per year for 4 years. The discount rate is 12%. Discuss what the PI indicates about the project's desirability.(CO3)

7. Answer any one of the following:-

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- 7-a. Implement ABC Analysis:(CO4)
 A manufacturing company has the following inventory items with their annual consumption values:
 Item A: Rs. 150,000
 Item B: Rs 90,000
 Item C: Rs 40,000
 Item D: Rs 20,000
 Item E: Rs 10,000
 Perform an ABC analysis on these items and discuss the implications for inventory management.
- 7-b. Explain the various kinds of working capital in firm. (CO4)

EG.

10

8. Answer any <u>one</u> of the following:-

- 8-a. Explain the concept of risk tolerance in personal financial planning. How should 10 an individual's risk tolerance influence their investment decisions?(CO5)
- 8-b. Explain the various types of mutual funds and its importance for an 10 investor.(CO5)