



NMIMS Global Access
School for Continuing Education (NGA-SCE)
Course: Financial Accounting & Analysis

Internal Assignment Applicable for September 2022 Examination

Assignment Marks: 30

Instructions:

- All Questions carry equal marks.
- All Questions are compulsory
- All answers to be explained in not more than 1000 words for question 1 and 2 and for question 3 in not more than 500 words for each subsection. Use relevant examples, illustrations as far as possible.
- All answers to be written individually. Discussion and group work is not advisable.
- Students are free to refer to any books/reference material/website/internet for attempting their assignments, but are not allowed to copy the matter as it is from the source of reference.
- Students should write the assignment in their own words. Copying of assignments from other students is not allowed.
- Students should follow the following parameter for answering the assignment questions.

| For Theoretical Answer | |
|--|-----------|
| Assessment Parameter | Weightage |
| Introduction | 20% |
| Concepts and Application related to the question | 60% |
| Conclusion | 20% |

| For Numerical Answer | |
|--|-----------|
| Assessment Parameter | Weightage |
| Understanding and usage of the formula | 20% |
| Procedure / Steps | 60% |
| Correct Answer & Interpretation | 20% |

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1. During 2019, a company purchased land for Rs 50 lakhs. In the month of April 2019, the company purchased a machinery for Rs 35 Lakhs. The company plans to write off the full value of the asset over a period of 10 years on an equal basis.



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In the year 2021, the company sell off the land at 70 Lakhs and to dispose of the machinery at 30 Lakhs. Also, the company acquired certain investments for Rs 50 Lakhs from the sales proceed, pay off certain current liabilities for Rs 5Lakhs, interest on long term loan Rs 7Lakhs

Discuss the type and amount of cash flows in the year 2021, as per the Accounting Standard 3 and profit or loss on sale of the machinery, if any.

Note: All the workings should be part of answer

(10 Marks)

2. Mr. Somil is working as an accounts executive for Tarak Shah & Company. He has to record certain accounting transactions as on 30th March2021, so that he can move ahead to close the books of accounts as on 31st March.

He is confused between realization concept of accounting and the matching concept of accounting.

As an accounts manager, kindly help him in understanding these two, by-

- Defining the Meaning and purpose of both the concepts
- Suitable example/ situation for each concept highlighting the difference between these concepts

(10 Marks)

3. You entered into the following transactions

1. Introduced Rs700000 in the business by taking loan from bank of Baroda
2. Purchased machineries for Rs50000 and payment done by cheque

- a. In order to record the accounting transaction in the books of accounts briefly define the steps to record, classify and summaries business transactions, that is accounting cycle.

(5 Marks)



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- b.** Define the concept of accounting equation and record the above transactions following the accounting equation rule. **(5 Marks)**
