SYBMS/SEM III/EXT/AMD

Time: 2½ hrs. Marks:75

Note:
1. All questions are compulsory with internal options.
2. Figures to the right indicate full marks.
3. Draw neat diagram wherever necessary.

Q. 1 (A) Fill in the blanks with the correct answer from the alternatives given below. (Attempt any 8) **(08)**

(1) The use of management accounting is -----
a) Mandatory b) Optional
c) Compulsory d)All of the above

(2) Management accounting information is generally prepared for ----
a) Managers b) Shareholders
c) Creditors d)Government

(3) Balance sheet is ----
a) Statement of assets & Liabilities b) statementof operating results
c) statement of working capitals d) none of the above

(4) Income statement is a ---
a) Statement of sources of funds b) Statement of working results
c) Statement of cashFlowd)fund from operation

(5) General Reserves is created out of ---
a) Profit b) Income
c) Expenditure d) Dividend Received

(6) Bank Overdraft is not a ---
a) Quick liability b) Current liability
c) Urgent liability d)Liability

(7) Current liabilities include creditors Rs. 2,00,000, Bills payable Rs. 1,00,000, Expenses payable Rs. 50,000, bank Overdraft Rs. 2,00,000 Quick liabilities will be
a) Rs.3,00,000 b) Rs.3,50,000
c) Rs. 2,50,000 d) Rs. 2,00,000

(8) The Intangible assets which do not have value are ----
a) Tangible assets b) Intangible assets
c) Fictitious assets d)Current assets

(9) Common size statement is a tool of ---
a) Vertical analysis b) Horizontal analysis
b) Technical analysis d) Fundamental analysis

(10) Liquid ratio which is equal to the following is favourable.
a) 2:1 b) 1:1
c) 1:3 d)2:5

(B) State whether the following statements are true or false. (Attempt any 7) **(07)**

(1) Management accounting is future oriented.
(2) Balance sheet shows result of activities.
(3) Calls in arrears is calls in advance
(4) Authorized capital is the maximum capital that can be raised by a company
(5) Public deposit is a secured loan.
(6) All current liabilities are current liabilities
(7) Floating assets are current assets
(8) Common size statement is horizontal analysis.
(9) Capital employed is equal to fixed assets.
(10) Preference share capital is a loan capital

Q.2 Following information regarding M/s Anvita Ltd. for the year ended 31st March, 2018. **(15)**

Particulars	Rs.	Particulars	Rs.
Sales	20,00,000	Return Inwards	50,000
Opening stock of raw materials	1,10,000	Purchase of raw materials	5,00,000
Staff salaries	1,50,000	Commission allowed	5,000
Salesmen salaries	25,000	Proposed dividend	1,50,000
Bank charges	10,000	Exhibition Expenses	35,000
Freight Inwards	40,000	Repairs of computer	5,000
Office Rent & Insurance	45,000	Closing stock of work-in-progress	40,000
Debenture Interest	50,000	Wages	70,000

Loss on sale of machinery	10,000	Purchases of finished goods	80,000
Printing & Stationery	5,000	Interest received on Investment	40,000
Direct Expenses	50,000	Provision for Income Tax	2,00,000
Profit & Loss A/c (Credit)	2,40,000	Closing stock of Raw Material	80,000
Depreciation on patterns	10,000	Sale of scrap	20,000
		Depreciation on machinery	20,000

You are required to rearrange the above information and prepare vertical Income statement.

OR

Q.2 **Summarized Balance sheet of the Tom Ltd are as follows: -** (15)

Liabilities	2018(Rs)	2019 (Rs)	Assets	2018 (Rs)	2019 (Rs)
Equity share capital	4,00,000	5,00,000	Fixed assets	5,40,000	6,72,000
General Reserves	20,000	40,000	Investments	1,30,000	90,000
Profit & Loss A/c	50,000	60,000	Stock	90,000	85,000
12% debentures	1,00,000	1,50,000	Debtors	25,000	45,000
Creditors	1,35,000	45,000	Bills Receivable	-	35,000
Bills payable	40,000	50,000	Cash	10,000	5,000
Provision for taxation	60,000	80,000	Bank	8,000	-
Bank Overdraft	-	10,000	Misc. expenditure	2,000	3,000
	8,05,000	9,35,000		8,05,000	9,35,000

You are required to prepare a comparative statement.

Q.3 **Following is the Trading & Profit & Loss A/c of X & Co Ltd. For the year ended 31st March, 2017.** (15)

Particulars	Amount (Rs)	Particulars	Amount (Rs)
To opening stock	12,00,000	By sales	60,00,000
To Purchases	33,00,000	By Closing Stock	15,00,000
To Carriage Inward	7,50,000		
To Wages	7,50,000		
To Gross Profit c/d	15,00,000		
	75,00,000		75,00,000
To Salaries	1,50,000	By Gross Profit b/d	15,00,000
To Interest	60,000	By Profit on sale of Investments	7,500
To General Expenses	75,000	By Commission	1,05,000
To Sales Promotion Expenses	1,12,500		
To Rent	15,000		
To Discount Allowed	37,500		
To Depreciation	1,80,000		
To Loss on sale of Fixed Assets	30,000		
To Provision for Income Tax	2,70,000		
To Net Profit	6,82,500		
	16,12,500		16,12,500

From the above Revenue statement convert into vertical Revenue statement and calculate the Ratios: -

1) Gross Profit Ratio 2) Office & Administration Expenses Ratio 3) Selling & Distribution Expenses Ratio 4) Operating Expenses Ratio 5) Operating Cost Ratio 6) Net profit before Tax Ratio 7) Stock Turnover Ratio

OR

Q.3 From the following Balance sheet convert into Vertical Balance sheet and calculate the following ratio: (15)

1) Liquid Ratio 2) stock working capital ratio 3) Debtors turnover ratio
4) Creditors turnover ratio 5) Capital gearing ratio

M/s Pushpa Ltd.
Balance sheet as on 31st March, 2022

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Equity share capital	3,30,000	Debtors	68,000
5% Preference share capital	1,00,000	Bills Receivable	12,000
Reserves	68,000	Cash & Bank Balance	32,000
Profit & Loss Account	32,000	Stock	38,000
Creditors	48,000	Other current Assets	68,000
5% debentures	1,10,000	Preliminary Expenses	12,000
Provision for Income tax(current year)	20,000	Fixed Assets	2,47,000
Bills payable	32,000	Prepaid Expenses	5,000
Bank overdraft	22,000		
Proposed Dividend	20,000		
	7,82,000		7,82,000

<u>**Additional Information:**</u>

1) Sales Rs. 8,00,000 (80% on credit)
2) Credit purchases Rs. 4,00,000
3) Net profit before tax Rs. 60,000

Q.4 The management of KAKASHRI Ltd. has asked you to prepare an estimate showing the working capital requirement for 2011-12 along with estimate cost sheet. (15)

Present Position 2010-11.

Operating capacity - 40% giving output of 40,000 units for the year.

<u>**Cost structure per unit:**</u>

Raw Material Rs 20
Direct labourRs 15
Overheads Rs 10
Profit Rs.5

Estimates for the Next year 2011-12

Operating Capacity – 60%
Cost structure —
Raw Material cost to increase by 10%
Direct labour cost to increase by 20%
Overheads to increase by 20%
Selling price to increase by 20%

The following further information is available: -

1) The purchase, production and sales pattern is assumed to be even throughout the year.
2) The raw materials will remain in stock for 1 month.
3) The production process will take 1 month wherein labour and overheads will accrue evenly during the process.
4) The finished goods will remain in the stock for 2 months.
5) The customers will allow a credit of 2 months.
6) The suppliers will allow a credit of 1 month.
7) The time lag in the payment of labour will be 1 month.
8) The time lag in payment of overheads will be half a month.
9) The cash and bank balance is expected to be Rs. 25,000.
10) Calculate debtors on cost basis.
11) 20% of the purchase will be on cash basis.

OR

Q.4 From the following financial statements prepare cash flow statement of sagar Ltd. (15)
For the year ended 31st March, 2018.

Liabilities	31-6-2017	31-3-2018	Assets	31-6-2018	31-3-2018
Share capital	1,35,000	1,40,000	Goodwill	13,950	4,950
Profit & Loss A/c	30,000	35,000	Land & Building	32,400	45,000
General Reserves	10,500	19,000	Plant & Machinery	1,13,400	85,050
Debentures	45,000	22,000	Furniture		40,500
Loans	67,950	62,010	Investments	40,500	49,500
Creditors	71,650	43,940	Debtors	94,500	1,14,120
Proposed Dividend	13,500	16,200	Bank Balance	89,650	11,630
Total	3,84,400	3,50,750	Total	3,84,400	3,50,750

Other Information:

i) Depreciation is provided @ 10% on furniture on opening balance
ii) Depreciation on land & Building is Rs. 5,000.
iii) Investment costing Rs. 8,000 was sold for Rs. 10,000.
iv) Tax of Rs. 13,000 was paid in the year 2018.

Q.5 a) Explain the difference between Comparative & Common Size statements. (08)
b) Explain working capital cycle for a manufacturing concern. (07)

OR

Q.5 Write short notes on (Attempt any 3) (15)
(1) Objectives of Financial Statements
(2) Advantage of Ratio Analysis
(3) Cash Flow statement
(4) Types of Working Capital
(5) Balance sheet Ratio

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