

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

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

- ( Attempt any 8 )**
- (1) The formula for Return on Assets (ROA) is
 

(a) Net Income / Total Assets	(b) Net Income / Shareholders' Equity
(c) Gross Profit / Net Sales	(d) Operating Income / Current Liabilities
  - (2) Which ratio is commonly used to evaluate a company's liquidity position?
 

(a) Earnings Per Share (EPS)	(b) Quick Ratio
(c) Debt-to-Equity Ratio	(d) Price-to-Book Ratio
  - (3) Which of the following is NOT a section in the cash flow statement?
 

(a) Revenue activities	(b) Investing activities
(c) Financing activities	(d) Operating activities
  - (4) Which of the following ratios is NOT a profitability ratio?
 

(a) Net Profit Margin	(b) Return on Equity (ROE)
(c) Current Ratio	(d) Return on Assets (ROA)
  - (5) What is Gross Working Capital?
 

(a) Current Asset – Current Liability	(b) Current Asset only
(c) Current Liability only	(d) None of the above
  - (6) Which of the following is an example of a financing activity?
 

(a) Purchase of equipment	(b) Sale of a building
(c) Payment of dividends	(d) Increase in accounts receivable
  - (7) Proprietor's ratio doesnot include
 

(a) Equity Share capital	(b) Preference Share capital
(c) Debt	(d) Reserves and Surplus
  - (8) Which of the following is an example of a non-current asset in a vertical balance sheet?
 

(a) Cash and Cash Equivalents	(b) Accounts Receivable
(c) Property, Plant, and Equipment (PPE)	(d) Inventory
  - (9) Which cash flow activity includes cash paid to suppliers and received from customers?
 

(a) Operating activities	(b) Financing activities
(c) Investing activities	(d) Non-cash activities
  - (10) Which of the following items are not a part of the quick assets?
 

(a) Inventory	(b) Debtors
(c) Cash & Bank balance	(d) Trade Receivables

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

- (1) Prepaid expenses are a part of Quick Asset.
- (2) Negative Working Capital is when Current Liabilities are less than Current Assets
- (3) Debt - equity ratio is about the liquidity of the company
- (4) Comparative financial statements are made to compare the results of consecutive years
- (5) Stock Turnover ratio should always be negative.

- (6) Return on Equity is a composite ratio.
- (7) Capital employed includes networth of a company and its borrowed funds
- (8) Payment of Interest on Debentures is a part of Financing activity.
- (9) Bank overdraft is a non-quick current liability.
- (10) Provision for tax is a non-cash item.

Q.2 (a) Prepare Trend Analysis statement from the following information: (in ₹)

(15)

Particulars	2022	2023	2024
Equity Share capital	2,00,000	2,80,000	3,40,000
Profit & Loss A/c	1,18,000	4,00,000	3,00,000
creditors	1,50,000	2,00,000	-
General reserves	1,20,000	4,00,000	2,20,000
Bills Receivable	20,000	40,000	80,000
Fictitious Assets	40,000	64,000	-
Trade Investments	-	4,00,000	2,00,000
10% Preference Share capital	1,00,000	2,00,000	4,00,000
Debentures	-	2,40,000	2,00,000
Building	2,00,000	5,00,000	8,00,000
Plant and Machinery	1,28,000	3,00,000	4,60,000
Marketable Investment	1,00,000	1,20,000	-
Debtors	50,000	60,000	1,00,000
Bills payable	1,50,000	1,64,000	1,80,000
Bank	4,00,000	4,00,000	-

OR

Q.2 (p) The following is the Balance Sheet of PQR Ltd. as on 31st March 2023 and 31st March 2024:

(15)

Balance Sheet (in ₹)

Particulars	31st March 2024	31st March 2023
Equity Share Capital	6,00,000	6,00,000
Reserves & Surplus	3,00,000	2,40,000
Long-term Borrowings	4,50,000	5,50,000
Trade Payables	1,80,000	1,50,000
Inventory	3,00,000	2,50,000
Trade Receivables	2,80,000	2,30,000
Cash & Bank Balance	1,50,000	1,00,000
Fixed Assets (Net)	8,00,000	9,60,000

Additional Information:

1. Net Profit for the year: ₹2,00,000
2. Depreciation charged: ₹60,000
3. A machine was sold for ₹50,000 at a profit of ₹10,000
4. Dividend paid: ₹40,000
5. No new fixed assets were purchased

Required:

Prepare the Cash Flow Statement for PQR Ltd.

- Q.3 (a) From the following particulars:
1. Current Ratio
  2. Quick Ratio
  3. Proprietors' Ratio
  4. Stock to Working Capital Ratio
  5. Debt Equity Ratio

(15)

Prepare a **vertical Balance Sheet** and calculate the following ratios:

Particulars	₹
Equity Share Capital	1600,000
General Reserve	320,000
Profit and Loss Account (Profit)	480,000
Unsecured Loan	200,000
Secured Loan	480,000
Goodwill	960,000
Land	960,000
Plant and Machinery	1280,000
Cash	88,000
Stock	1192,000
Debtors	920,000
Outstanding Expenses	480,000
Creditors	640,000

OR

- Q.3 (p) Prepare comparative balance sheet in a vertical format from the given data for suitable analysis: (in ₹)

(15)

Liabilities	As on 31.03.2020	As on 31.12.2021	Assets	As on 31.03.2020	As on 31.12.2021
Equity Share capital	32,00,000	32,00,000	Building	12,00,000	10,80,000
10% Pref. Share capital	24,00,000	24,00,000	land	4,00,000	4,00,000
General reserves	16,00,000	19,60,000	Plant	12,00,000	10,80,000
15% Debentures	8,00,000	12,00,000	Furniture	4,00,000	5,60,000
Creditors	12,00,000	16,00,000	Stock	8,00,000	12,00,000
Bills payable	4,00,000	6,00,000	Debtors	8,00,000	12,00,000
Tax Payable	8,00,000	12,00,000	Cash	4,00,000	5,60,000
	52,00,000	60,80,000		52,00,000	60,80,000

Q.4 (a) Prepare A Common Size Balance Sheet Of XC Ltd. In Vertical Form.

(15)

Particulars	₹
Land & Building	9,00,000
Plant & Machinery	7,50,000
Equity Capital	7,50,000
Preference Share Capital	3,00,000
Stock	3,60,000
Debtors	3,00,000
Cash & Bank	82,500
Other Current Assets	7,500
Profit & Loss A/C (Cr. Bal)	3,00,000
General Reserves	1,50,000
Sundry Creditors	1,20,000
Bills Payable	90,000
Other Current Liabilities	90,000
Debentures	6,00,000

OR

Q.4 (p)

(15)

The following figures are given. Prepare a cost estimate Working capital:

Production : 30,000 units

Selling Price per unit: ₹20

Raw Material: 50% of Selling price

Direct Wages: 1/5th of Raw Material

Overheads: Twice the Direct Wages

Material in hand: 2 Months

Production time: 1 Month

Finished Goods in Stores: 3 Month

Credit for Material: 2 Months

Credit allowed to Customers: 3 Months

Average Cash Balance: ₹ 80,000

Wages and overheads are paid in the beginning of the next month.

In production, all materials are charged in the initial stage, and wages and overheads accrue evenly.

- Q.5 (a) Following is the details of the balance sheet of Kunal Ltd. for the year ended 31st March 2024. (15)

Liabilities	₹	Assets	₹
Share Capital	900000	Goodwill	120000
Capital Reserve	30000	Land	480000
General Reserve	360000	Premises	264000
Profit & Loss A/C	102000	Furniture	18000
5% Debenture	300000	3% Govt Investment	480000
Bank Loan	210000	Accounts Receivable	420000
Bank Overdraft	120000	Inventories	360000
Sundry Creditors	360000	Advance Tax	30000
Provision For Tax	60000	Cash At Bank	240000
		Preliminary Expenses	30000
	2442000		2442000

Rearrange the Balance Sheet in vertical form and calculate the following:

1. Current Assets
2. Quick Assets
3. Intangible Assets
4. Fictitious Assets
5. Fixed Assets
6. Fixed Liabilities
7. Proprietors' Funds
8. Working Capital
9. Total Funds Employed
10. Secured Loan
11. Owned Funds

OR

- Q.5 (p) Write short notes on ( Attempt any 3) (15)
- (1) Types of working capital
  - (2) Financial Activities of the cash flow
  - (3) Composite Ratios
  - (4) Operating cycle
  - (5) Advantages of Management Accounting

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