

SYBAF sem IV Reg Exam April-2023

SYBAF - Semester IV
Time 2Hours 30 Minutes

MANAGEMENT ACCOUNTING
75 Marks

05/4/23



Note :

All Questions are compulsory

Figures to the right indicate Marks.

Working Should be part of your Answer

Q-1(a) Fill in the blanks (any 8)

(8)

- 1) In vertical balance sheet , capital reserve forms part of _____
- 2) Quick liabilities = Current Liabilities less _____
- 3) When the current ratio is 2:5 and the amount of current liabilities is Rs.25,000 , the amount of current assets is Rs. _____
- 4) When opening stock is Rs.50,000 ,closing stock Rs.60,000 and cost of goods sold Rs.2,20,000, the stock turnover ratio is _____ times.
- 5) Stock of work in process is made up of _____ % cost of raw material and _____ % cost of wages and overheads.
- 6) Higher advances collected from the customers would mean the company will need _____ working capital.
- 7) _____ balance sheet is used for reporting more than one year's figures, side by side.
- 8) _____ Funds is internal source of Finance, whereas _____ Funds is an external source of Finance.
- 9) In vertical Income statement , Operating Profit = _____ Profit Less Operating expenses.
- 10) The standard Proprietary Ratio is approx.. _____ %

Q-1(b) State True or False (any 7)

(7)

- 1) Goodwill is shown under ' Application of Funds ' in the vertical Balance sheet.
- 2) Owed Funds is an internal sources of Finance.
- 3) In common-size analysis ,the industry average is computerized with the performance of a company.
- 4) Common - size analysis expresses items in the balance sheet as an index relative to the base year .
- 5) Common -size analysis is used for comparing performance of a company in one year with that of another year.
- 6) Trend income statements recast each statement item as percent of sales.
- 7) External analysis is more useful for management than the internal analysis.
- 8) 'Liquidity' refers to the ability of the firm to pay ,and when the debts fall due for payment.
- 9) Comparative Financial Statements indicate the direction of the movement of the firm .
- 10) In Common - size analysis , the industry average is compared with the performance of a company.

Question 2**(15 Marks)**

The following balances appear in the books of M/s Bharat Singh Ltd. as on 31st March, 2022.

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Sundry Debtors	2,00,000	Prepaid Expenses	1,00,000
Long Term Investments	2,50,000	Creditors	4,50,000
Bank Overdraft	1,00,000	Capital Reserve	1,50,000
Public Deposits	3,00,000	Short Term Investments	50,000
Bills Payable	7,90,000	Plant & Machinery	12,00,000
General Reserves	1,00,000	Outstanding Expenses	1,20,000
Bills Receivable	2,00,000	Cash & Bank	7,00,000
Vehicles	9,00,000	Profit & Loss A/c (Credit)	4,00,000
10% Preference Share Capital	8,00,000	Stock	5,00,000
Commission on Issue of Shares (not yet w/off)	40,000	Land & Building	12,00,000
Provision for Tax	1,00,000	Equity Share Capital	16,00,000
Bank Loan	3,00,000	Preliminary Expenses (not yet w/off)	10,000
Advance Tax	3,00,000	Debentures	5,00,000
		Advance of Suppliers	60,000

You are required to prepare a Balance Sheet in the vertical form.

or**Question 2****(15 Marks)**

Sudesh Ltd., carrying on Business furnishes their position as on 31st Dec. 2020, 2021 and 2022 as under:

Liabilities	2020 ₹	2021 ₹	2022 ₹	Assets	2020 ₹	2021 ₹	2022 ₹
Equity Share Capital	3,00,000	3,00,000	4,00,000	Fixed Assets	3,00,000	3,00,000	4,00,000
Preference Share Capital	2,00,000	2,00,000	2,50,000	Investment	1,00,000	1,00,000	1,00,000
General Reserve	50,000	1,00,000	1,00,000	Debtors	1,00,000	1,50,000	2,00,000
Secured Loan	1,00,000	1,00,000	50,000	Stock	50,000	1,00,000	50,000
Sundry Creditors	40,000	80,000	80,000	Advance paid	50,000	50,000	50,000
Bills Payable	10,000	20,000	20,000	Cash	50,000	50,000	50,000
				Bank	25,000	40,000	45,000
				Preliminary Expenses	25,000	10,000	5,000
Total	7,00,000	8,00,000	9,00,000	Total	7,00,000	8,00,000	9,00,000

You are required to prepare a Vertical Trend Balance-Sheet.

Question 3**(15 Marks)**

Pujan Ltd. gives you the following balance sheets for the year ended 31st March, 2021 and 2022.

Balance Sheet as on

Liabilities	31-3-21	31-3-22	Assets	31-3-21	31-3-22
	Rs.	Rs.		Rs.	Rs.
Equity Capital	1,20,000	1,20,000	Land	2,10,000	2,70,000
Preference Capital	90,000	60,000	Building	2,85,000	2,70,000
General Reserves	30,000	42,330	Stock	27,000	36,300
Profit & Loss A/c	15,240	28,080	Debtors	40,440	38,460
Provision for Tax	17,000	8,000	Prepaid Expense	25,880	17,000
Creditors	3,37,920	3,81,990	Bank Balance	15,840	3,240
			Misc.Expenditure	6,000	5,400
	6,10,160	6,40,400		6,10,160	6,40,400



Other Information:

- The company has paid interim dividend of 5% on equity shares.
- Preference shares were redeemed during the year at 10% premium.
- Income tax paid during the year is Rs.15,000.

Prepare a Cash Flow Statement for the year ended 31st March, 2022.

Or

(15 Marks)**Question 3**

From the following Balance Sheet of X Ltd., compute the following ratios and offer your comments in brief

- Liquid Ratio
- Proprietary Ratio
- Stock Turnover Ratio
- Capital Gearing Ratio
- Debtors Collection Period

Balance Sheet as on 31st March, 2022

Liabilities	₹	Assets	₹
Preference Share Capital	2,00,000	Fixed Assets	12,00,000
Equity Share Capital	5,00,000	Stock	5,40,000
Reserve	10,00,000	Sundry Debtors	8,00,000
Secured Loans	4,00,000	Advance Income-Tax	1,20,000
Current Liabilities	5,40,000	Cash at Bank	7,90,000
Provisions	8,10,000		
Total	34,50,000		34,50,000

Other Information:

- Total Sales during the year was Rs. 77, 76,000 (including Cash Sales ₹ 5,76,000) which yielded a Gross Profit of 25% on Sales.
- The stock on 31st March 2021 was ₹ 4,32,000. Assume for your working 360 days for the year.

Question 4**(15 Marks)**

The following information is presented by Sahil and Sons Ltd., for the year 2021-22.

Estimated Yearly Production = 30,000 units.

Estimated Cost Sheet per unit

Particulars	Amount (₹ per unit)
Raw Materials	5
Wages	3
Overheads	2
Selling Price	12

Further Information:

1. The company extends two months credit to the customers.
2. The company maintains one month's stock of raw materials.
3. The company maintains two month's stock of finished goods.
4. The processing period is half a month.
5. The company is allowed one month's credit by suppliers.
6. Wages and Overheads are paid one month in arrears.
7. The cash and bank balance is expected to be ₹ 8,125.
8. There are regular purchases, production and sales cycle.
9. During production process wages and overheads accrue evenly.
10. Debtors are to be calculated on sale price basis.

Prepare an estimate of Working Capital

OR

Q.4 Complete the following Common Size Income Statement of Khushi ltd for the year ended 31st March 2017.

Particulars	Rs.
Net Sales	?
Less : Cost of Goods sold	?
Gross Profit (25% of sales)	2,00,000
Less : Operating Expenses	?
Operating Net Profit	?
Add : Non Operating Income	NIL
Less : Non Operating Expenses	40,000
Net Profit before Tax	40,000
Less : Income Tax (50% of NPBT)	?
Net Profit after Tax	?



Question 5 Write Short Notes on : (Any 3 out of 5)

15 Marks

- (a) Working Capital Cycle.
- (b) Importance of Management Accounting
- (c) Cash Flow from Operating Activities
- (d) Limitation of Ration Analysis
- (e) Cash flow from Investing Activites.