

Maximum Marks: 75

Duration: 2 ½ hrs

- Note: 1) There are 5 questions with internal choice
 2) Each question carries 15 marks.
 3) Suitable assumptions and working notes should form the part of your answer.
 4) Figures to the right hand side indicate full marks.
 5) Please check whether you have got the right question paper.

- 1) A) Fill in the blanks (any 8): (08)
- 1) Management accounting is _____ in nature.
 - 2) Use of Management accounting is _____.
 - 3) Underwriting commission (not written off) is classified as a _____ asset.
 - 4) Profit on sale of fixed asset is recorded in Vertical Income statement under the head _____.
 - 5) Dividend payout ratio = Dividend per share / _____.
 - 6) Debt service ratio is also called _____ ratio.
 - 7) Cash flow statement is compulsory for _____ companies.
 - 8) Refund of income tax is cash flow from _____ activities.
 - 9) Working capital required at the inception of the business is called _____ working capital.
 - 10) Business that purchases goods on cash basis and sells on credit basis will need _____ working capital.

B) Match the following (any 7): (07)

| Column A | Column B |
|---------------------------------|-------------------------------------|
| Financial Accounting | 2:1 |
| Management Accounting | Cash flow from investing activities |
| Goodwill | Less the working capital required |
| Preliminary expenses | Cash flow from financing activities |
| Current ratio | Subject to audit |
| Quick ratio | Intangible assets |
| Interest received on investment | More the working capital required |
| Interest paid on borrowings | 1:1 |
| More the stock turnover ratio | Fictitious assets |
| Less the stock turnover ratio | Not subject to audit |

- 2) A) From the following information provided to you by Ramol Ltd. prepare a Commonsize Balance Sheet: (15)
- Equity Share Capital Rs. 400000, General Reserves Rs. 80000, Profit & Loss Account Rs. 75000, Goodwill Rs. 100000, Land & Building Rs. 580000, Machinery Rs. 130000, Investments in Govt. Securities Rs. 250000, 10% Preference Capital Rs. 300000, 12% Debentures Rs. 200000, 12.5% Bank Loan Rs. 185000, Stock Rs. 120000, Debtors Rs. 160000, Creditors Rs. 60000, Bills payable Rs. 40000, Provision for Tax Rs. 45000, Bills Receivable Rs. 25000, Cash Rs. 5000, Formation expenses Rs. 15000

OR

Q. P. Code: 37083

B) Prepare a Vertical Income statement of Rohan Ltd. from the following information and calculate Gross Profit Ratio, Operating Ratio and Stock turnover Ratio: (15)
 Cash Sales Rs. 550000, Credit Sales Rs. 1450000, Stock on 1st April, 2015 Rs. 250000, Purchases Rs. 550000, Carriage inwards Rs. 50000, Carriage outwards Rs. 25000, Wages Rs. 140000, Advertisement Rs. 60000, Salaries Rs. 240000, Discount allowed Rs. 10000, Dividend received Rs. 47000, , Depreciation on office computer Rs. 12000, Printing & Stationery Rs. 10000, Salesman commission Rs. 18000, Profit on sale of investments Rs. 13000, Stock on 31st March, 2016 Rs. 400000, Interest on Bank Loan Rs. 100000, Provision for tax Rs. 60000

3) A) Following is the Balance Sheet of Rudra Ltd.:

| Liabilities | 31-03-2015 | 31-03-2016 | Assets | 31-03-2015 | 31-03-2016 |
|---------------------|-------------------|-------------------|-----------------------|-------------------|-------------------|
| Share Capital | 300000 | 400000 | Goodwill | 55000 | 50000 |
| Profit & Loss A/c | 3000 | 4000 | Land and Building | 150000 | 142500 |
| General Reserves | 50000 | 60000 | Plant & Machinery | 80000 | 200000 |
| Bills Payable | 20000 | 18000 | Inventories | 106000 | 138500 |
| Sundry Creditors | 35000 | 45000 | Bills Receivables | 25000 | 12000 |
| Provision for Taxes | 35000 | 40000 | Sundry Debtors | 45000 | 51000 |
| Proposed Dividend | 30000 | 40000 | Cash and Bank Balance | 12000 | 13000 |
| Total | 473000 | 607000 | Total | 473000 | 607000 |

Additional information for the year ended 31-3-2016 was as follows:

- Depreciation charged on land and building was Rs. 7,500 and on Plant and Machinery was Rs. 20000.
- During the year, a plant having WDV Rs. 24000 was sold for Rs. 26000.
- Proposed dividend paid Rs. 35000 while provision for tax made for the year was Rs. 33000

You are required to prepare a Cash flow statement for the year ended 31-03-2016.

OR

B) Ajinkya Ltd. manufactured and sold 12000 Mobile handsets in the year 2016. The production cost per unit was a under:

| | Rs. |
|---|-------------|
| Material | 3500 |
| Labour | 1000 |
| Overheads (including depreciation Rs. 200 per unit) | 1000 |
| Total Cost | 5500 |
| Profit | 2000 |
| Selling price | 7500 |

For the year 2017, it is estimated that:

- The output and sales will be 18000 hand-sets. There will be no change in the cost structure and selling price.
- Raw materials will remain in stock for one half month before issue to production.
- Finished goods will remain in godown for one month before sale.
- 20% of the sales will be on cash basis and credit allowed to customers will be two months.
- 40% of raw materials requirements will be obtained from a supplier in China by making one month advance payment. Balance suppliers allow credit of two months.
- Wages and Overheads are paid two months and one month in arrears respectively.
- Materials will be in process on an average for one and a half month.
- Cash in hand and with bank should always be Rs. 50000.

You are required to forecast working capital requirement of the company for the year 2017. (15)

4) A) Prepare a comparative income statement from the following: (15)

Profit & Loss account of M/s. Abhishek Ltd. for the year ended 31st March

| Particulars | 2016 (Rs.) | 2015 (Rs.) | Particulars | 2016 (Rs.) | 2015 (Rs.) |
|---------------------------|---------------|---------------|----------------------|---------------|---------------|
| To Opening Stock | 44000 | 40000 | By Sales | 190000 | 200000 |
| To Purchases | 84000 | 72000 | By Closing Stock | 46000 | 44000 |
| To Wages | 40000 | 36000 | By Interest received | 20000 | - |
| To Factory Expenses | 32000 | 28000 | | | |
| To Establishment Expenses | 8000 | 6000 | | | |
| To Management Expenses | 2000 | 2000 | | | |
| To Selling Expenses | 6000 | 10000 | | | |
| To Interest | 6000 | 8000 | | | |
| To Loss on sale of Assets | 2000 | 2000 | | | |
| To Provision for taxation | 22000 | 24000 | | | |
| To Net profit | 10000 | 16000 | | | |
| Total | 256000 | 244000 | Total | 256000 | 244000 |

OR

B) Calculate the Trend Percentage from the following information extracted from the financial statements of Shaurya Ltd.

| | 2016 Rs. | 2015 Rs. | 2014 Rs. |
|--------------------|-------------|-------------|-------------|
| Sales | 16,400 | 13,640 | 9,880 |
| Cost of sales | 14,970 | 12,490 | 8,810 |
| Expenses | 80 | 130 | 50 |
| Interest Expenses | 500 | 370 | 200 |
| Tax | 390 | 190 | 450 |
| Fixed Assets (Net) | 5,480 | 5,110 | 4,770 |
| Working Capital | 5,090 | 4,880 | 3,290 |
| Investments | 770 | 180 | 430 |
| Net Worth | 6,660 | 6,010 | 5,850 |
| External Loans | 4,680 | 4,160 | 2,640 |

5) A) Distinguish between Owners fund and Owed Funds. (08)

B) Distinguish between Debtors turnover Ratio and Creditors turnover Ratio (07)

OR

Write short notes on (any 3): (15)

- Functions of Management accountant (any 5)
- Proprietary Ratio
- Forms of expressing ratios.
- Cash flow from Financing Activities
- Balance Sheet working capital and Cash working capital
