



Note: All questions are compulsory, subject to internal choice.

Figures to the right indicate full marks.

Use of simple calculator allowed.

Q.1.(A) State whether the following are true or false: (Any 8)

(8)

1. Management accounting is related to internal reporting for top management.
2. Sales – Cost of goods sold = Net Profit.
3. Contingent liabilities do appear in the Balance Sheet.
4. In Trend analysis 2nd year figures are considered as 100% for calculating trend of figures.
5. Stock is an item of Quick Assets.
6. The main purpose of stock to working capital ratio is to show the extent to which working capital is blocked in inventories.
7. P/E ratio expresses relation between the market price of share and earnings per share.
8. A fund flow statement and cash flow statement are the same.
9. In cash flow statement; cash flows from three different activities are reported.
10. Seasonal industries like Sugar and oil require more working capital during season and less working capital during slack seasons.

Q.1.(B) Match the Columns: (Any 7)

(7)

Column A	Column B
1. Measuring Performance	a. Sales
2. Standard Current Ratio	b. 1:1
3. Cash receipts from customers	c. Efficiency Measurement
4. Future decisions	d. 2:1
5. Standard Quick Ratio	e. Profits
6. Top line	f. Based on Historical data
7. Selling a piece of asset	g. Operating Activities
8. Bottom line	h. CA minus CL
9. Net working capital	i. Current assets
10. Gross working capital	j. Investing Activities

Q2.A. M/s Suresh Ltd. carrying on business furnishes their position as on 31st December, 2013, 2014 and 2015 as (15)

Liabilities	2013	2014	2015	Assets	2013	2014	2015
Equity	3,00,000	3,00,000	4,00,000	Fixed Assets	3,00,000	3,00,000	4,00,000
Preference Share Cap	2,00,000	2,00,000	2,50,000	Investments	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 loans	1,00,000	1,00,000	50,000	Stock	50,000	1,00,000	50,000
Sundry creditors	40,000	80,000	80,000	Advances	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
				Share issue exp	25,000	10,000	5,000
	7,00,000	8,00,000	9,00,000		7,00,000	8,00,000	9,00,000

Prepare vertical Trend Balance sheet and offer your comments on net worth and working capital.

OR

Q2.B. Complete the following Comparative Statement of ND Ltd and offer your comments.

(15)

Particulars	31-3-2014	31-3-2015	Increase/ Decrease (+/-) Rs	Percentage of change (+/-)
I. Sources of Fund				
A. Equity share capital	2,00,000	2,00,000	?	Nil
Preference share capital	1,50,000	?	(-)50,000	?
B Reserves & Surplus	?	?	?	?
	5,30,000	?	?	?
Less: Preliminary expenses	?	20,000	?	Nil
Owned Funds	?	?	(-) 1,26,000	?
Loan funds				
10% Debentures	?	?	?	?
Capital Employed	7,10,000	?	?	?
II Application of Funds				
Fixed Assets	5,30,000	?	(-) 30,000	?
Investment	?	?	(-) 50,000	?
Working capital	?	?	(-) 96,000	(-) 120
Capital Employed	7,10,000	?	?	?

Q3.A. Following is the Trading and Profit and loss Account of Gauri Ltd for the year ending 31st December, 2016 and the Balance Sheet on that date:

(15)

Profit and Loss A/c

Particulars	Rs	Particulars	Rs
To opening stock	1,25,000	By Sales	5,00,000
To Purchase	6,10,000	By Closing Stock	3,55,000
To Gross Profit	1,20,000		
	8,55,000		8,55,000
To Sundry expenses	80,000	By Gross Profit b/d	1,20,000
To Net Profit	40,000		
	1,20,000		1,20,000

Balance Sheet

Liabilities	Rs	Assets	Rs
Share Capital	7,00,000	Net Block of Fixed Assets	5,50,000
Reserves & Surplus 50,000		Stock	1,55,000
Add: Profit for the year 40,000	90,000		
Bank Overdraft	35,000	Debtors	1,80,000
Creditors	1,50,000	Cash	90,000
	9,75,000		9,75,000

Convert into vertical form and calculate following ratios: (1) Quick ratio (2) Current Ratio (3) Debtors Turnover Ratio (4) Gross Profit Ratio (5) Stock Turnover ratio

OR

Q3.B. From the following Balance Sheet of a company, ascertain Current Ratio, Liquid ratio, Capital-Gearing ratio, Proprietary ratio and Stock Working Capital ratio and offer brief comments for both the years:

(15)

Balance sheet as at _____

Liabilities	2011(Rs)	2012 (Rs)	Assets	2011(Rs)	2012 (Rs)
Equity Share Capital	1,00,000	1,50,000	Fixed assets	1,62,000	2,74,000
6% Pref. Share capital	50,000	80,000	Current assets:		
Reserves	30,000	50,000	Stock	22,000	43,000
7% Debentures	20,000	50,000	Debtors	51,000	62,000
Current Liabilities:			Bills receivables	2,000	3,000
Creditors	34,000	62,000	Bank	12,000	20,000
Tax provision	15,000	10,000			
	2,49,000	4,02,000		2,49,000	4,02,000



Q4. A The summary Balance Sheet of Sagar Ltd are as follows:

Liabilities	2016	2017	Assets	2016	2017
Equity Share Capital	1,50,000	2,50,000	Patents	55,000	45,000
General Reserve	-	30,000	Land & Building	80,000	90,000
Profit & Loss A/c	-	29,000	Plant & machinery	40,000	1,00,000
Debenture	1,00,000	-	Stock	42,000	53,000
Sundry Creditors	57,000	46,000	Debtors	90,000	98,000
Bills Payable	30,000	6,000	Cash in hand	10,000	4,000
Provision for Tax	-	25,000	Bills Receivable	8,000	12,000
Proposed Dividend	-	20,000	Prepaid expenses	6,000	4,000
			Profit & Loss A/c	6,000	-
	3,37,000	4,06,000		3,37,000	4,06,000

Additional Information:

(i) During the year 31-03-2017 Depreciation of Rs 8,000 and Rs. 10,000 have been charged on Land & Building and Plant and Machinery respectively.

(ii) An Interim Dividend of Rs 7,500 was paid during the year 31-03-2017

(iii) During the year Machinery having book-value of Rs 8,000 was sold for Rs 7,000.

Prepare Cash Flow Statements by Indirect Method for the year ended 31st March, 2017 as per AS-3

OR

Q4.B A factory produces 72,000 units during the year and sells them @ Rs 80 per unit. Cost structure of a product is as follows: (15)

Raw Materials	60%
Labour	15%
Overheads	10%
	85%
Profit	15%
Selling Price	100%

The following additional information is available:

- The activities of purchasing, producing and selling occur evenly throughout the year.
- Raw materials equivalent to 1 month's supply is stored in godown.
- The production process takes 1 month.
- Finished goods equal to three month's production are carried in stock.
- Debtors get 2 months' credit.
- Creditors allow 1 ½ months' credit.
- Time lag in payment of wages and overheads is ½ month.
- Cash and bank balance is to be maintained at 10% of the working capital.
- 10% of the sales are made at 10% above the normal selling price.

Draw a forecast of working capital requirements of the factory.

Q5. A) Explain the scope of Management Accounting. (8)

B) Distinguish between Owned Funds and Owed Funds. (7)

OR

Q5. Short Notes on: (Any 3) (15)

- Functions of Management Accountant.
- Types of Financial Analysis
- Modes of expressions of ratios.
- Types of working capital.
- Cash flow from Investing activities.