

18/3/24 ATKT

SYBms / ATADCOED

DURATION: - 2^{1/2} hrs

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MARKS:- 75

- Note: - (1) All questions are compulsory.
(2) All questions carry equal marks.

- Q.1 (A) Choose the correct alternatives from following. (Any 8) CO1,2,3,4(U) (08)
1. Internal analysis of financial statements is done by _____.
a) Potential investors b) the owners or managers of the concern
c) Government d) creditors.
 2. Capital employed is equal to _____.
a) Fixed Assets + Investment + Current Assets
b) Fixed Assets + Investments + Working Capital
c) Own Funds + Loan Funds + Current Liabilities.
d) Fixed Assets + Current Liabilities
 3. Proprietary Ratio Comes under the _____ ratio.
 4. a) Balance Sheet b) Revenue Statement c) Composite d) All of the above.
Debt Equity ratio comes under the _____ ratio.
 5. a) Balance sheet b) Revenue statement c) Composite d) All of the above.
The principal revenue producing activity of the enterprises is _____
 6. a) investing activity b) operating activity c) financial activity d) Non- operating activity
The acquisition and the disposal of long term assets and investments is _____
 7. a) investing activity b) operating activity c) financing activity d) non-operating activity.
_____ is not an element of credit policy.
 8. a) Credit terms b) collection policy c) cash discount terms d) sales price.
If cash discount is offered to customer then _____ would increase.
 9. a) Sales b) Debtors c) Debt collection period d) Purchase return.
Receivable management deals with _____
 10. a) Receipt of raw materials b) Debtors Collection c) Creditors management
d) Inventory management.
_____ is not a technique of receiver's Management.
- Q.1 (B) State whether following statements are True or False (Any 7) CO1,2,3,4(U) (7)
1. Ageing schedule of receivable is one way or monitoring the receivables.
 2. Liberalizing the discount rate means increasing the discount rate for the same period.
 3. Working capital requirement is high when the supply from material is irregular.
 4. If the debtors take longer to pay the operating cycle too becomes longer.
 5. Increase in outstanding expenses is added to net profit to arrive at cash from operations.
 6. The formula of current ratio is $\frac{\text{Current Assets}}{\text{Current Liabilities}}$
 7. High Proprietary Ratio indicates high cost of goods sold.
 8. The formula of quick ratio $\frac{\text{quick asset}}{\text{quick asset}}$

9. Common-size statements are used for a both horizontal and vertical analysis.
 10. Owed Funds is an internal source of finance.
 Q.2 (A) Following is the summary balance sheet of star Product Limited. (O1,CO2(A) (15) P)

liabilities	AS on 31-03-17	Assets	As on 31-03-17
Equity share capital	5,00,000	Fixed Assets	13,00,000
General reserve	3,00,000	Investment	4,00,000
Security Premium	25,000	Stock	8,50,000
10% Debentures	7,50,000	Sundry Debtors	5,00,000
Profit and loss A/c.	7,40,000	Prepaid Expenses	40,000
Sundry Creditors	2,30,000	Advance Income Tax	78,000
Bank Overdraft	3,95,000	Cash and Bank Balances	62,000
Provision for	3,30,000	Share Issue Expenses	10,000
Taxation		Preliminary Expenses	30,000
	32,70,000		32,70,000

You are required to compute the following ratios:

- 1) Current Ratio (2) Liquid Ratio (3) Proprietary Ratio (4) Stock-Working Capital Ratio.

OR

- Q 2) B) Following is the Profits & Loss Account summary of Well –balanced Limited for the year ended 31st March, 2017. You are required to prepare Vertical Income statement for purpose on analysis. CO2(AP) (15M)

Particulars	Rs	Particulars	Rs
To Opening stock-Raw Materials	7,00,000	By Sales	
To Purchase	9,00,000	Cash	5,20,000
To Wages	1,50,000	Credit	15,00,000
To factory Expenses	3,50,000		20,20,000
To Office Salaries	25,000	Less:Returns &	
To Office Rent	39,000	Allowances	20,000
To Postage & Telegram	5,000	By Closing Stock –Raw Materials	6,00,000
To Directors Fees	6,000	By Dividend on Investment	10,000
To Salesman Salaries	12,000	By Profit on Sale of Furniture	20,000
To Advertising	18,000		
To Delivery Expenses	20,000		
To Debenture Interest	20,000		
To Depreciation			
On Office Furniture	10,000		
On Plant	30,000.		
On Delivery Van	20,000		
To Loss on Sale of van	5,000		
To Income Tax	1,75,000		
To Net Profit	1,45,000		
	26,30,000		26,30,000

- Q 3 A) following is the revenue statement of prodent Enterprises during profit and loss account for the year end 31st March 2017 CO1,2(AP) (15)
Trading ,Profit and Loss Account for the year ended 31st March,2017

Assume that operations are evenly spread throughout the year, wages and overheads accrue similarly. Manufacturing process required feeding of material fully at the beginning. Degree of work-in-progress is 50%. Debtors are to be estimated at selling price.

OR

Q.4 B)

CO1.2-A/P (15M)

The Summary Balance Sheets of Dinesh Ltd. are as follows.

Balance Sheet as at 31st March, 2016 and 2017.

Liabilities	2016	2017	Assets	2016	2017
Equity share capital	3,00,000	5,00,000	Goodwill	1,10,000	90,000
General Reserve	-	60,000	Land & Building	1,60,000	1,80,000
Profit & loss A/c.	-	98,000	Plant & machinery	80,000	2,00,000
Debentures	2,00,000	-	stock	84,000	1,06,000
Sundry Creditors	1,14,000	92,000	Debtors	1,80,000	1,56,000
Bills Payable	60,000	12,000	Advance income tax	-	40,000
Provision for income tax	-	50,000	Bills Receivable	15,000	24,000
			Prepaid Expenses	12,000	8,000
			Cash in Hand	20,000	8,000
			Profit & loss A/c.	12,000	-
	6,74,000	8,12,000		6,74,000	8,12,000

Additional Information :

- (1) During the year ended 31st March 2017 Depreciation of Rs 16,000 and Rs 20,000 have been charged on Land and Building and Plant and Machinery respectively.
- (2) An interim Dividend of rupees 15,000 was paid during the year ended on 31st-03-2017.
- (3) During the year machinery having book-value of Rs 16,000 was sold for Rs 14,000.

Prepare a cash flow statement by indirect method for the year ended 31st March, 2017 as per AS-3.

- Q.5) A) Q.5 A) Distinguish between Gross working capital and Net working capital. (CO1,2-U) 08
 B) Explain in a brief non-operating Income. (CO1,2-U) 7M
- OR
- C) Short notes (any 3) (CO1,2-U) 15M
 Classification of assets. (CO1,2-U)
 Types of working capital with its components (CO1,2-U)
 Importance of cash flow analysis (CO1,2-U)
 Different forms of accounting ratio (CO1,2-U)
 Cash flow from investing activities (CO1,2-U)
