

- Note :** 1) All questions are compulsory.
2) Figure to the right indicate full marks.

8 M

Q.1.A. Multiple choice questions :- (Any Eight)

- 1) The excess of current assets over current liabilities is _____.
a) Working Capital b) Fixed Capital c) Floating Capital
- 2) Borrowed funds does not include _____.
a) Debentures b) Public Deposit c) Bank Overdraft
- 3) Dividend paid is example of cash flow from _____ activity.
a) Investing b) Financing c) Operating
- 4) If more time duration is allowed to Debtors then a company requires _____.
a) More Working Capital. b) Less Working Capital c) No Working Capital.
- 5) Miscellaneous expenses are example of _____.
a) Tangible Assets b) Intangible Assets c) Fictitious Assets
- 6) Standard Debt Equity Ratio ins _____.
a) 2:1 b) 1:1 c) 5:1
- 7) If sales are 10,00,000 and Net worth is 5,00,000 then Net worth to turnover ratio will be _____.
a) 2:1 b) 1:2 c) 5:1
- 8) Trend analysis helps in comparing the data by considering _____ year.
a) Base b) Current c) Previous
- 9) When quick ratio is 1:5:1 and quick assets are 30000/- then quick liabilities will be _____.
a) 10,000 b) 40,000 c) 20,000
- 10) Quick Assets = _____.
a) (Current Assets -- Stock Prepaid Advances) b) (stock - current assets)

Q.1.b) Match the column :- (Any 7)

7 M

'A'

1. Current Ratio
2. Acid Test Ratio
3. Negative Working Capital
4. Contribution
5. Cash flow statement
6. Financing Activity
7. Own Funds
8. Depreciation
9. Payables

'B'

- 1) CL - CA
- 2) Creditors
- 3) AS - 3
- 4) Non Cash item
- 5) Balance Sheet Ratio
- 6) Net Worth
- 7) Buy Back of Shares
- 8) Sales - Variable Cost
- 9) 1 : 1

Q.2. Prepare vertical comparative Balance Sheet from following information of 15 M AB Ltd. and XY Ltd. and Comment of Result.

Liabilities	AB	XY	Assets	AB	XY
Eq. Share Capital	200000	350000	Goodwill	30000	50000
Reserves	50500	60000	Building	120000	240000
P/L A/c	12250	102200	Plant & Machinery	29000	42000
Bank Overdrat	11250	14800	Stock	66000	93000
Creditors	36000	58000	Debtors	85000	175000
Tax Provision	20000	15000			
	330000	600000		330000	600000

OR

Q.2. Prepare vertical Income Statement from following information. Profit / Loss A/c for year ended 31st March 2014.

Dr.			Cr.
To Opening Stock	250000	By Sales	3700000
To Purchase	2600000	By Closing Stock	500000
To Gross Profit	1350000		
	4200000		4200000
To Office Exps.	270000	By G.P. B/d	1350000
To Interest	72000	By Profit on sale of Asset	50000
To Rent	60000		
To Selling Exps.	100000		
To Depreciation	120000		
To Tax	278000		
To Net Profit	500000		
	1400000		1400000

Q.3. Balance Sheet as on 31st March 2017.

15 M

Liabilities	Rs.	Assets	Rs.
Bills Payable	25000	Fixed Assets	125000
Creditors	50000	Debtors	50000
Debentures	100000	Bank Balance	25000
Reserves	50000	Stock	125000
Eq. Share Capital	50000		
Prf. Capital	50000		
	325000		325000

Other Information :-

- 1) Sales for year is 500000 and cost of sales is 300000.
- 2) Net profit is 192000.

You are required to calculate following ratios.

- 1) Debt equity Ratio
- 2) Current Ratio
- 3) Quick Ratio
- 4) Stock working capital
- 5) Fixed Assets Turnover Ratio
- 6) Retain on equity capital Ratio
- 7) Debtors turnover Ratio.

Q.3.(a) Company's Present sale is 40 lakh per annum with 20 days credit period present variable cost is 70% of sales and fixed cost is Rs. 600000/- The return on investment is 25% company plans to change credit with following options. **10 M**

Credit policy	(Days) Collection Period	Expected sales. (Lakhs)
I	36	44
II	40	50
III	45	52
IV	50	60

Q.3.(b) Prepare common size statement from following information

Particulars	Amt.
Sales	500000
(-) COGS	<u>(400000)</u>
Gross Profit	100000
(-) Operating Expenses	<u>(20,000)</u>
Net Profit	80000
(-) Tax Provision	<u>(5000)</u>
PAT.	75000

Q.4. A) Factory produces 84000 units during year and sell them at Rs. 50/- P.U. **15M**
Cost Structure is as follow.

Raw Material	50% of S.P.
Direct wages	10% of S.P
Overheads	<u>15% of S.P</u>
Total Cost	75%
Profit	<u>25%</u>
S.P	100%

Additional information:-

- 1) Stock of Raw material will be stored for 2 months
- 2) The production process takes 15 days.
- 3) finished Goods remain in stock for 3 months.
- 4) Time lag in payment 9 wages and overheads one month.
- 5) Debtors get one month Credit.
- 6) Suppliers allow 2 month credit.
- 7) Cash Balance is 30% of Stock of Raw material.
- 8) 20% purchases are on cash Basis.

Q.4. Prepare cash flow statement of Aradhya Ltd from following information 15 M

Liabilities	2010	2011	Assets	2010	2011
Eq. Share Capital	300000	400000	Goodwill	115000	90000
8% Pref. Capital	150000	100000	Land & Building	200000	170000
General Reserves	40000	70000	Plant	80000	200000
P/L A/C	72000	98000	Debtors	160000	200000
Creditors	55000	83000	Stock	77000	109000
Bills payable	20000	15000	Bill Receivables	20000	30000
Provision for Tax	4000	50000	Bank Balance	25000	18000
	677000	817000		677000	817000

- 1) Depreciation on plant is 10,000.
- 2) Dividend of 20,000 paid during the year
- 3) Income tax of 35000/- paid during year.

15M

Q.5. a) Explain in brief comparative and common size statements analysis **8M**
b) Explain factors to be considered for working capital requirement.

OR.

Q.5. Write Short Note on: (Any 3)

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- 1) Operating Expenses and Incomes.
- 2) Own funds and owed funds.
- 3) Working capital cycle.
- 4) Cash flow from financing Activities.
- 5) Fictitious Assets.