

**Sr. BMS Sem - III Acc. for. mang. Dec.**

DURATION: - 2½hrs

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MARKS:- 75

Note: - (1) All questions are compulsory.

(2) All questions carry equal marks.

(3) Figures to the right indicates full marks.

- Q.1 A) Choose the correct alternative from the following (Any 8)** C01,2,3(U) (08)
- 1) Common size statements are used \_\_\_\_\_  
 a) Only for horizontal analysis c) Only for vertical analysis  
 b) For both horizontal and vertical analysis d) None of the above
  - 2) Gross profit ratio comes under \_\_\_\_\_ ratio  
 a) Balance sheet c) Composite ratio  
 b) None of the above d) Revenue statement
  - 3) Liquid ratio comes under \_\_\_\_\_ ratio  
 a) Balance sheet  
 b) Revenue statement  
 c) Composite  
 d) None of the above
  - 4) Refund of income tax is \_\_\_\_\_  
 a) Cash inflow from investing activity c) Cash inflow from financing activity  
 b) Cash inflow from operating activity d) Cash outflow from operating activity
  - 5) The principal revenue producing activities of the enterprise is \_\_\_\_\_ activity  
 a) Investing b) Operating c) Financing d) None of the above
  - 6) \_\_\_\_\_ is not element of credit policy  
 a) Credit terms b) Collection policy c) Sales price d) Cash discount terms
  - 7) \_\_\_\_\_ is related to receivables management  
 a) Cash budget c) Economic order quantity  
 b) Ageing Schedule d) All of the above
  - 8) \_\_\_\_\_ is not a technique of receivables management  
 a) Fund flow Analysis c) Ageing schedule  
 b) Days sales outstanding d) Collection matrix
  - 9) \_\_\_\_\_ =  $\frac{\text{quick assets}}{\text{quick liabilities}}$   
 a) Quick ratio b) Current ratio c) Gross profit ratio d) Net profit ratio
  - 10) The activities resulting in changes in the size and composition of the owners capital and borrowings of the Enterprises is \_\_\_\_\_ activity  
 a) Investing b) Financing c) Operating d) None of the above
- Q.1 B) State whether the following statements are true or false (Any 7)** C01,2,3(U) (7)
- 1) The formula of debt - equity ratio is  $\frac{\text{borrowed funds}}{\text{proprietors funds}}$
  - 2) The base year of the calculating a trend percentage is always the first accounting year of the concern
  - 3) Bank overdraft = current liabilities - quick liabilities
  - 4) All other things remaining the same issue of new shares will improve the current ratio
  - 5) Cash equivalents are defined as demand deposit in bank

- 6) Loans given to other is a financing activity
- 7) Changes in bank overdraft is adjusted in cash flow from financing
- 8) Interest paid on loans reduce the cash flow for operating activity
- 9) Liquid ratio indicates the companies ability to meet its long-term liabilities
- 10) High stock turnover ratio indicates high cost of goods sold

**Q.2 A)**

**C02(AP) (15)**

X Ltd. And Y Ltd. are in the same line of business. Following are their balance sheet as on 31 March 2017:

Balance sheet as on 31 March, 2017

Liabilities	X Ltd. ₹	Y Ltd. ₹	Assets	X Ltd. ₹	Y Ltd. ₹
Equity share capital	7,00,000	2,00,000	Land	1,00,000	80,000
Reserve and surplus	1,00,000	1,00,000	Building	2,50,000	2,00,000
12% debentures	2,00,000	5,00,000	Plant and machinery	5,00,000	3,00,000
Creditors	1,20,000	70,000	Debtors	2,10,000	1,10,000
Bills payable	40,000	20,000	Stock	1,00,000	2,00,000
Provision for tax	55,000	40,000	Cash and Bank	55,000	40,000
Total ₹	12,15,000	9,30,000	Total ₹	12,15,000	9,30,000

You are required to calculate the following ratio for both the companies:

- a) Proprietary ratio
- b) Capital-Gearing ratio
- c) Current ratio
- d) Stock working capital ratio

**OR**

**Q.2 B)** Prepare a comparative income in vertical form.

**C02(AP) (15)**

**Profit and loss A/C for the year ended 31st March.**

Particulars	2017	2018	Particulars	2017	2018
To Opening Stock	44,000	40,000	By Sales	1,90,000	2,00,000
To Purchase	84,000	72,000	By Closing Stock	46,000	44,000
To Wages	40,000	36,000	By Interest Received	20,000	
To Factory Expenses	32,000	28,000			
To Establishment Expenses	8,000	6,000			
To Management Expenses	2,000	2,000			
To Selling Expenses	6,000	10,000			
To Interest	6,000	8,000			
To Loss on Sale of Assets	2,000	2,000			
To Provision for Taxation	22,000	24,000			
To Transfer to Reserves	10,000	16,000			
	2,56,000	2,44,000		2,56,000	2,44,000

**Q.3 A)** Following is the Profit and Loss Account of Moon Enterprises for the year ended 31-03-2017.

You are required to compute the following ratios :

- 1) Gross Profit Ratio
  - 2) Stock-Turnover Ratio
  - 3) Administrative Expenses Ratio
  - 4) Net Profit Before Tax Ratio
- C02(AP) (15)**

Particulars	₹	Particulars	₹
To Opening Stock	4,00,000	By Sales	
To Purchase	9,80,000	- Credit	18,00,000
To Wages	2,90,000	- Cash	7,00,000
To Factory Expenses	1,90,000	By Closing Stock	6,00,000
To Office Salaries	1,20,000	By Sale of Scrap	10,000
To General Administrative Expenses	1,30,000	By Dividend Received	1,000
To Selling Expenses	1,12,500		
To Depreciation on Machinery	2,50,000		
To Provision for Tax	1,40,500		
To Transfer To General Reserve	2,00,000		
To Net Profit	2,98,000		
	31,11,000		2,56,000
			31,11,000

OR

Q.3 B)

C01,C02(AP) (15)

Following are the summary Balance Sheets of M/S. Raj Ltd., as on 31<sup>st</sup> March, 2016 and 2017.

Balance sheet as on 31 March.....

Liabilities	2016 ₹	2017 ₹	Assets	2016 ₹	2017 ₹
Share Capital	9,25,000	9,75,000	Fixed Assets	9,50,000	8,75,000
General Reserve	2,50,000	3,50,000	Investment	2,25,000	3,00,000
Current Liabilities	2,50,000	3,31,000	Current Assets	4,50,000	7,25,000
13% Debentures	2,00,000	2,44,000			
	16,25,000	19,00,000		16,25,000	19,00,000

Prepare a Comparative Balance Sheet in vertical form.

Q.4 A) Telearstar Ltd. gives you the following summary balance sheet of the year ended 31st March, 2016 and 2017. Prepare a Cash flow statement for the year ended 31st March, 2017 as per AS - 3 by indirect method.

Liabilities	31-3-16 ₹	31-3-17 ₹	Assets	31-3-16 ₹	31-3-17 ₹
Equity Share Capital	1,20,000	1,20,000	Land	2,10,000	2,70,000
5% Preference Share Capital	90,000	60,000	Building	2,85,000	2,70,000
General Reserve	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 Expenses	25,880	17,000
Creditors	3,37,920	3,81,990	Bank Balance	15,480	3,240
Total	6,10,160	6,40,400	Misc. Expenditure	6,000	5,400
			Total	6,10,160	5,400

Other information for the year ended 31st March, 2017 :

- (1) The company has paid Interim dividend of 5% on equity shares.
- (2) Preference shares were redeemed during the year at 10% premium.
- (3) Income tax paid during the year ₹15,000.

C01,C02(AP) (15)

OR

- Q.4 B).** From the following information given by M/s. Q & Co.Pvt.Ltd., prepare an estimate of working capital for the year ended 31 March 2017. **C01(AP) (15)**
1. Estimate level of activity - 1,04,000 unit for the year 52 weeks
  2. Cost of raw materials per unit – ₹ 5
  3. Cost of labour for unit – 40% of raw materials
  4. Cost of overheads per unit – 50% of the labour cost
  5. Profit per unit is 200% of overheads.
  6. Stock of Raw Material – 4 weeks
  7. Processing period – 4 weeks
  8. Stock of finished goods – 4 weeks
  9. Credit to debtors – 6 weeks
  10. Credit by the creditor – 4 weeks
  11. Time lag in payment of wages – 4 weeks
  12. Time lag in payment of overheads – 2 weeks
  13. Cash and bank balance required – ₹ 40,000
  14. Debtors are calculated on sales basis
  15. Purchases against cash -20%
  16. All the activities are spread evenly throughout the year
  17. During processing, labour and overhead accrue evenly
- Q.5 A) Distinguish between own funds and owed funds** **C01(U) (8)**
- B) Define Assets Explain the types of Assets** **C01(U) (7)**

OR

- C) Short Note (Any 3)** **(15)**
1. Different forms of ratio **C01(U)**
  2. Cash flow from investing activities **C01(U)**
  3. Classification of cash flow **C01(U)**
  4. Importance of cash flow **C02(U)**
  5. Quick Assets **C03(U)**

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