

Q2. Following is the Balance sheet of Ganesh and Kartik Ltd. as at 31st March, 2021. (15m)

Balance Sheet as at 31st March, 2021

(CO-3,-A, A, E)

Liabilities	Amount	Assets	Amount
Equity Share Capital	1,00,000	Machinery	2,96,000
General Reserves	70,000	Investments	1,12,000
10% Preference Capital	1,80,000	Stock in Trade	1,01,000
15% Debentures	1,20,000	Bills Receivables	20,000
Trade Payables	1,22,000	Trade Receivables	49,000
Bank Overdraft	20,000	Cash and Bank	38,000
Provision for Tax	18,000	Profit and Loss A/c	14,000
	6,30,000		6,30,000

Sales for the year Rs. 7,00,000; Gross Profit Rate – 25% and Opening Stock is Rs. 1,09,000. Profit before Tax for the year ending 31-3-2021 is Rs. 2, 10,000.

You are required to compute the following ratios and comment on Current Ratio.

1. Current Ratio
2. Acid Test Ratio
3. Stock Turnover Ratio
4. Capital Gearing Ratio
5. Proprietary Ratio
6. Debt Equity Ratio
7. Return on Capital Employed

OR

Q2. Dwarka Manufacturing Company gives the following details. Estimated level of activity 26,000 units of production for the year 2021-22. (CO-5,-A, A,) (15m)

Estimated Cost per Units is:

Raw Material	20
Direct Wages	08
Overheads	16
Selling Price	50

Further Information:

1. Raw Material in stock average 4 weeks consumption.
2. Work-in-progress 2 weeks.
3. Finished Goods in Stock 2 weeks.
4. Credit allowed by Suppliers 2 weeks.
5. Credit allowed by Debtors 3 weeks.
6. Lag in Payment of Wages and Overheads 1 week.
7. Cash at Bank for smooth operation is expected to be Rs. 24,000.
8. Production is carried on evenly throughout the year.
9. Provide a Margin of Safety at 10%.
10. Debtors are to be calculated at selling price.
11. 25% Purchases and 20% Sales are against Cash.

You are required to prepare a statement showing Working Capital requirements

For the year 2021 -22.

(15M)

Q.3. Following are summarized Balance Sheets of Sai Ltd. as on 31st Dec. 2019 & 2020. Re arrange the Balance sheets in Common size statement form. (15M)

Balance Sheet

(CO-2,-A, A, E)

Liabilities	2019	2020	Assets	2019	2020
Equity Share Capital	2,00,000	2,50,000	Bank	35,000	16,000
12% Debentures	1,00,000	80,000	Stock	40,000	75,000
10% Preference Share Capital	50,000	80,000	Debtors	90,000	1,50,000
Bank Loan	70,000	1,10,000	Machinery	75,000	60,000
Reserves	20,000	25,000	Furniture	10,000	8,000
P & L A/C.	50,000	60,000	Land I,	1,70,000	2,80,000
Creditors	60,000	72,000	Building	1,40,000	99,000
Bills Payable	40,000	33,000	Goodwill	30,000	25,000
	5,90,000	7,13,000		5,90,000	7,13,000

OR

Q.3. Following is the Balance sheet of Tax & Trouble Ltd. as on 31st March, 2022

Balance sheet

(CO-2,-A, A, E)

Liabilities	Rs.	Assets	Rs.
Equity Share Capital	4,50,000	Goodwill	35,000
Share Premium	45,000	Land and Building	2,75,000
General Reserve	1,60,500	Plant and Machinery	3,60,800
Profit & Loss A/C	1,28,500	Furniture and Fixtures	1,28,200
12% Debentures	2,60,000	Long Term Investment	1,75,000
IDBI Bank Loan	1,50,000	Short Term Investments	48,500
Bank Overdraft	49,800	Sundry Debtors	1,69,700
Creditors	68,000	Bills Receivables	12,500
Bills Payables	5,400	Closing Stock	98,000
Provisions for tax	35,800	Prepaid Expenses	27,500
Outstanding Wages	17,000	Cash balance	29,300
	13,70,000	Preliminary Expenses	10,500
			13,70,000

You are required to-

a) Rearrange the above balance sheet in vertical form to show following-

1) Proprietors' Fund 2) Borrowed Funds 3) Intangible Assets 4) Quick Liabilities 5) Working Capital. (15M)

Q.4. From the following Balance Sheet of M/s. Manojvardhan Ltd., prepare cash flow statement for the year 2022.

(CO-4,-A, A, E)

Liabilities	2021	2022	Assets	2021	2022
Share capital	50,000	60,000	Vehicles	-	1,750
Reserve	12,500	17,500	Land & Building	50,000	47,500
P&L account	7,500	7,650	Machinery	40,000	42,000
Term Loans	20,125	-	Stock	15,000	18,000
Creditors	30,000	32,500	Debtors	15,000	10,000
Bills Payable	5,000	2,000	Bills Receivable	4,000	5,000
Provision for taxation	7,500	8,500	Cash & Bank	8,625	3,900
	1,32,625	1,28,150		1,32,625	1,28,150

Additional Information-

- 1) Depreciation written off during the year Land and Building Rs. 2,500 and Machinery Rs.3,000/-
- 2) Income Tax paid during the year amounted to Rs.7,800/- (15M)

OR

Q.4. The following are the particulars of Vijay and company for the year 2019-20. Calculate the working capital estimate for annual sales of 78,000 units. (CO-5,-A, A,)

1) Cost Sheet	
Particulars	Rs. (Per unit)
Raw Material	40
Wages	20
Overheads	30
Profit	30

- 2) Production and Sales take place evenly throughout the year.
- 3) Raw Material is on eight weeks credit.
- 4) Raw Materials remain in stock for eight weeks.
- 5) Processing period is two weeks, wherein Raw Material, Wages and Overheads accrue evenly.
- 6) Finished goods remain in stock for ten weeks.
- 7) Customers are given nine weeks credit.
- 8) Time lag in payment of wages is four weeks.
- 9) Time lag in payment of overheads is two weeks.
- 10) Cash and bank balancer is maintained at Rs. 1, 05,000.
- 11) Calculate debtors on Sales. (15M)

Q.5.A. Define Management Accounting and Financial Accounting. (CO-1,-R, U) (8M)

Q.5.B. Explain cash flow and types activities in cash flow. (CO4,-R, U) (7M)

OR

Q.5. Write short note (Any 3)(CO-1, 2, 3, 5-R, U) (15M)

- a) Types of Working Capital
- b) Distinguish between Own fund and Owed fund
- c) Explain any Three Balance sheet ratio
- d) Distinguish between Debtor Turnover ratio and Creditor Turnover ratio

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