

BAF

44204424

Seat Number: - \_\_\_\_\_

Maximum Marks: 75

Duration: 02:30 Hours

Note: 1) All Questions are compulsory.

2) Figures to the right indicate full marks.

Note: All Questions are compulsory

**Q1. A. Multiple Choice Questions: (Any 8) (CO-1, 2, 3, 4, 5-R) (8M)**

- 1) Which of the following is the function of management accounting?
  - a) Co-operation
  - b) Analysis & Interpretations
  - c) Forecasting, Planning, staffing
  - d) Comparison
- 2) Common size Income Statement present the various items as a percentage of \_\_\_\_\_
  - a) Sales
  - b) Credit sales
  - c) Cash sales
  - d) Cost of sales
- 3) Comparison of financial variables of a firm over a period of time is known as \_\_\_\_\_
  - a) Comparative
  - b) Common-size
  - c) Trend analysis
  - d) Vertical analysis
- 4) The ratio of current asset to current liability is known as -----
  - a) Liquid ratio
  - b) Current ratio
  - c) Absolute liquid ratio
  - d) Turnover ratio
- 5) Proprietary ratio measures the relationship between share holder fund and -----
  - a) Total asset
  - b) Fixed asset
  - c) Current asset
  - d) Factious asset
- 6) Debt equity ratio is an example of \_\_\_\_\_ ratios
  - a) Balance sheet ratio
  - b) Profit & loss account ratio
  - c) Mixed ratio
  - d) Liquidity ratio
- 7) Proposed dividend is a-----
  - a) Current liability
  - b) Current asset
  - c) Noncurrent liability
  - d) Expense
- 8) Purchase of fixed asset is classified as \_\_\_\_\_ activity
  - a) Financing
  - b) Investing
  - c) Operating
  - d) Current
- 9) AS-3 is related to
  - a) Cash flow statement
  - b) Funds flow statement
  - c) Balance sheet
  - d) Income statement
- 10) \_\_\_\_\_ refers to the amount invested in various components of current assets.
  - a) Temporary working capital
  - b) Net working capital
  - c) Gross working capital
  - d) Permanent working capital

**Q1.B. State whether True or False: ( Any 7) (CO-1, 2, 3, 4, 5-R) (7M)**

- 1) Increase in current assets will always result in inflow of cash
- 2) Loan given to others is a financial activity.
- 3) Net Profit Ratio = NPAT/SALE X100
- 4) Quick Assets = Current Assets – Stock – Prepaid Expenses
- 5) Operating Ratio = Operating Expenses /Profit
- 6) In a vertical balance sheet, fictitious assets are included under fixed assets.
- 7) Common size analysis expresses items in the balance sheet as an index relative to the base year.
- 8) Management accounting is known as corporate accounting .
- 9) Current Ration shows long term solvency of business.
- 10) Issue of new equity share is investing activities.

**Q2. M/S. Ankur Ltd. is carrying on business, furnishing their position as on 31<sup>st</sup> March, 2020, 2021 and 2022.**

**Balance Sheet as on 31<sup>st</sup> March**

Particulars	2020	2021	2022
<b>Assets:</b>			
Fixed Assets	30,000	25,500	43,800
Investments	13,000	13,000	18,400
Current Assets	27,000	33,200	18,900
	<b>70,000</b>	<b>71,700</b>	<b>81,100</b>
<b>Liabilities:</b>			
Share Capital	33,000	31,350	41,000
Debentures	27,000	28,350	9,500

Liabilities for Expenses	10,000	12,000	30600
	70,000	71,700	81,100

(CO-2, -A, A,) (15M)

Prepare Trend Balance Sheet in Vertical Form.

OR

Q.2. The following balance sheet of X Ltd. as on 31 March 2023, rearrange the balance sheet in vertical format.

**X Ltd. Balance Sheet as on 31<sup>st</sup> March 2023**

Liabilities	Amount	Assets	Amount
Share Capital	3,00,000	Goodwill	40,000
Securities Premium	10,000	Land	1,60,000
General Reserve	1,20,000	Plant	88,000
Profit and Loss A/c	34,000	Furniture	6,000
11% Debentures	1,00,000	Trade Investments	1,60,000
Bank Loan	70,000	Amount Receivable	1,40,000
Bank Overdraft	40,000	Inventories	1,20,000
Sundry Creditors	1,20,000	Prepaid Expenses	10,000
Provision for Taxation	20,000	Cash and Bank	80,000
		Preliminary expenses	10,000
	8,14,000		8,14,000

Present the above Balance Sheet in the Vertical Form and Show the following:

- |                      |                      |                          |
|----------------------|----------------------|--------------------------|
| a) Current Assets    | d) Fictitious Assets | g) Working Capital       |
| b) Quick Assets      | e) Fixed Assets      | h) Net Worth             |
| c) Intangible Assets | f) Fixed Liabilities | i) Long Term Liabilities |
- (CO-2, -A, A,) (15M)

Q3. Ruby manufacturing company gives the following details. Estimated level of activity 26000 units of production for the year 2022-23.

Raw Material.	Rs. 20
Wages.	Rs. 8
Overheads	Rs.16
Selling Price	Rs.50

**Further information:**

- Raw material in stock average 4 weeks consumption.
- Work in progress for 2 weeks.
- Finished goods in stock for 2 weeks.
- Credit allowed by suppliers for 2 weeks.
- Credit allowed to debtors three weeks.
- Lag in payment of wages and overheads one week.
- Cash at bank for smooth operation is expected to be Rs. 24,000.
- Production is carried on evenly throughout the year.
- Provide a margin of safety at 10%.
- Debtors are to be calculated at selling price
- 25% purchases and 20% sales are against cash.

(CO-5, -A, A,) (15M)

You are required to prepare a statement showing working capital requirements for the year 2022-23.

OR

Q3. The following information is presented by Data and Sons Ltd. for the year 2023-24. Estimated yearly production is equals to 30,000 units Estimated cost sheet per unit.

Raw Materials	Rs. 5
Wages	Rs. 3
Overheads	Rs.2
Selling Price	Rs.12

**Further information:**

1. The company extends 2 months credit to the customers
2. The company maintains one month's stock of raw materials.
3. The company maintains a 2 month's stock of finished goods.
4. The processing period is half a month.
5. The company is allowed 1 month's credit by suppliers.
6. Wages and overheads are paid one month in arrears.
7. The cash and bank balance is expected to be Rs. 8125.
8. There is a regular purchase, production and sales cycle.
9. During the production process wages and overheads accrue evenly.
10. Debtors are to be calculated on sale price basis.

**Prepare an estimate of working capital.**

**(CO-5, -A, A) (15M)**

**Q4.** Prepare a cash flow statement indicating therein separately the cash from operations from the following summary balance sheets of Revolt limited.

**Balance sheet as on 31st March**

Liabilities	2022	2021	Assets	2022	2021
Creditors	25,000	32,000	Cash	2,000	...
Reserves	23,000	47,000	Debtors	45,000	60,000
Debentures	60,000	50,000	Stock	45,000	55,000
Outstanding	6,000	6,000	Prepaid Expenses	4,000	3,000
Expenses	1,33,000	1,1,4000	Investments	27,000	20,000
Share Capital	....	12,000	Staff Loan	4,000	3,000
Bank Overdraft			Fixed Assets	1,20,000	1,20,000
	<b>247000</b>	<b>261000</b>		<b>247000</b>	<b>261000</b>

**Other particulars:**

1. Balance of depreciation account as on 1<sup>st</sup> April 2021 and 1<sup>st</sup> April 2022 was 15000 and 20000 respectively.
2. A machinery of Rs 5000 on which depreciation of Rs. 1000 was charged was sold for Rs. 4,500.
3. Staff loans of Rs. 1000 were written off during the year.

**(CO-4, -A, A) (15M)**

**OR**

**Q4. Following is the balance sheet of ZEE Ltd. as on 31st March 2023.**

**(CO-3,-A, A, (15M)**

Liabilities	Amount	Assets	Amount
Equity Share Capital	3,50,000	Fixed Assets	2,50,000
9% Preference Share Capital	50,000	Investments	50,000
General Reserve	15,000	Stock	75,000
Profit And Loss Account	45,000	Debtors	1,20,000
10% Debentures	50,000	Cash	90,000
Provision For Tax (Current Year)	20,000		
Sundry Creditors	55,000		
	<b>5,85,000</b>		<b>5,85,000</b>

**Other details for 2022-23:**

- 1) Sales Rs. 600000 (80% on credit basis)
- 2) Profit before tax Rs. 5000
- 3) Calculate the following ratios:

- a) Current Ratio
- b) Capital Gearing Ratio
- c) Debtors Turnover Ratio
- d) Return on Proprietors Fund
- e) Return on Capital Employed
- f) Stock Working Capital
- g) Net Profit After Tax Ratio

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

(8M)

Q.5.B. Explain Types of Working Capital. (CO4, -R, U)

(7M)

OR

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

- a) Prepare Vertical Format of Income Statement
- b) Distinguish between Own fund and Owed fund
- c) Cash Flow from Operating activities
- d) Distinguish between Debtor Turnover ratio and Creditor Turnover

(15M)

**XXXXXXXXXXXXXXXXXXXX**

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