

Duration : 2 Hours

Maximum Marks : 75

Note: All Questions are compulsory
Each question carries equal marks.
Use of simple Calculator is allowed.

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

{8M}

1. Horizontal Analysis shows the comparison of data for several years against a chosen _____ year
 - a) Base year
 - b) Previous year
 - c) Financial year
 - d) Calendar year
2. Help to disclose financial position
 - a) Trial Balance
 - b) Profit and Loss Account
 - c) Balance sheet
 - d) Income Statement
3. Leverage ratios are also known as ----- ratios
 - a) Short term solvency ratios
 - b) Long term solvency ratios
 - c) Solvency ratio
 - d) Liquidity ratio
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. The ratio which shows the relationship between borrowed funds and owners capital is -----
 - a) Proprietary ratio
 - b) Debt equity ratio
 - c) Capital gearing ratio
 - d) Fixed asset ratio
6. Increase in current assets ----- working capital
 - a) Increases
 - b) Decreases
 - c) Deducts
 - d) Reduces
7. Current liabilities are equal to -----
 - a) Working capital + current assets
 - b) Working capital - current assets
 - c) Current assets - working capital
 - d) Current asset + working capital
8. Which of the following does not affect working capital -----
 - a) Bank overdraft
 - b) Debenture
 - c) Cash
 - d) Bank
9. Decrease in creditor is a ----- of cash
 - a) Inflow
 - b) No flow of cash
 - c) Outflow
 - d) deduction
10. Quick assets do not include
 - a) Government bond
 - b) Book debts
 - c) Advance for supply of raw materials
 - d) Inventories

Q1. B. Multiple Choice Questions: (Any 7) (CO-1,2,3,4,5-R)

(7M)

Group A	Group B
1. Financial Statement	a. Non-quick Assets
2. Stock Working Capital Ratio	b. Direction of Data
3. Prepaid Expenses	c. Borrowed Fund
4. Trend Analysis	d. Financial Position
5. Long Term Liability	e. Balance Sheet Ratio
6. Liberal Dividend Policy	f. Investing Activity
7. Buy Back of Shares	g. Dividend Policy Ratio is high
8. Gross Working Capital	h. Adjusted in Net profit as Non-operating item
9. Loss on Sale of Fixed Assets	i. Financing Activity
10. Interim Dividend	j. Total Current Assets

Q.2. Rearrange the following summary balance sheet in vertical from suitable for analysis and calculate the trend percentage taking 2019 figures as 100. **(CO-2,-A,A,E)**

(Rs. In Lakh)

(15M)

Liabilities	2019	2020	2021	2022	Assets	2019	2020	2021	2022
Share capital	60	60	80	80	Building	50	60	55	80
Reserve	50	45	20	20	Goodwill	50	45	40	40
Surplus	13	32	31	40	Machinery	20	40	43	50
Debentures	10	20	20	30	Stock	05	15	25	05
Secured Loan	12	08	10	20	Debtors	20	14	15	10
Bank O/D	06	08	10	03	Cash	05	01	02	15
Other Liabilities	01	02	08	04	Preliminary Expenses	03	02	01	-
	01	02	02	03					
	153	177	181	200		153	177	181	200

OR

Q.2. Following are the Balance sheet as on 31st December 2020 and 2021 of M/S Gambhir Ltd.

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

(15M)

Liabilities	2020	2021	Assets	2020	2021
Equity share capital	1,00,000	1,50,000	Land and Building	80,000	75,000
General Reserve	60,000	10,000	Plant and Machinery	42,000	85,000
Profit and Loss	5,000	30,000	Furniture and Fittings	7000	6,000
Bank overdraft	-	65,000	Investments	6000	12,000
Mortgage loan	-	40,000	Stock	27,500	94,500
Provision for tax	10,000	15,000	Sundry Debtors	46,500	77,250
Sundry creditors	30000	20,000	Cash	2,000	7,250
Bills Payable	10,000	30,000	Preliminary Expenses	4,000	3000
	2,15,000	3,60,000		2,15,000	3,60,000

You are required to prepare comparative financial statements in vertical form.

(15M)

Q.3. The following are the particular of Mahesh & Company for the year 2018-19. Calculate the working capital estimate for annual sales of 78,000 units. **(CO-5,-A, A,)**

(15M)

1. Cost Sheet

Particular	Rs. (per unit)
Raw Material	Rs.40
Wages	Rs.20
Overheads	Rs.30
Profit	Rs.30

2. Production and Sales take place evenly throughout the year.

3. Raw Material is on eight week credit.

4. Raw material remains in stock for eight weeks.

5. Processing period is of two weeks, where in Raw Material, Wages and Overheads accrue evenly.

6. Finished Goods remain in stock for ten weeks.

7. Customer are given nine weeks credit.

8. Time lag in payment of wages in four weeks.

9. Time lag in payment of overheads two weeks.

10. Cash and Bank Balance is maintained at Rs.1, 05, 00

11. Calculate Debtors on sales.

OR

Q.3. From the following details prepare an estimate of requirements of working of an existing company X ltds.
(CO-5,-A,A,) **(15M)**

Production	60,000 Units
Selling Price	Rs.5 per unit
Raw Material	60% of Selling Price
Direct Wages	10% of Selling Price
Manufacturing Overheads	20% of Selling Price
Material on hand	2 Months requirements
Production Time (Work in Process)	1 Month
Finished Goods in store	3 Months
Credit for Material	2 Months
Credit allowed to customers	1 Month
Average Cash Balance	Rs.20,000
Safety Margin	20%

Wages and overheads are in one Month. In production all the required materials are charged in the initial stage and wages and overheads accrue evenly.

Q.4. Prepare a cash flow statement indicating there in separately the cash from operations from the following summary balance sheet of Ravan Ltd. **(15M)**
(CO-4,-A, A, E)

Liabilities	2017	2016	Assets	2017	2016
Creditors	25,000	32,000	Cash	2,000	---
Reserve	23,000	47,000	Debtors	45,000	60,000
Debentures	60,000	50,000	Stock	45,000	55,000
Outstanding Expenses	6,000	6,000	Prepaid Expenses	4,000	3,000
Share Capital	133,000	1,14,000	Investments	27,000	20,000
Bank overdraft	--	12,000	Staff Loan	4,000	3,000
			Fixes Assets	1,20,000	1,20,000
	2,47,000	2,61,000		2,47,000	2,61,000

Other additional information:

- Balance of depreciation account as at 1.4.2016 and 1.4.2017 was Rs.15,000 and 20,000 respectively.
- A machinery of Rs.5, 000 on which depreciation of Rs.1, 000 was charged was sold for Rs.4, 500.
- Staff loans of Rs.1, 000 were written off during the year.

OR

Q.4. Following is the balance sheet of Kapil Ltd. as at 31.3.2020. **(15M)**
Balance Sheet as on 31.3.2020

Liabilities	Amount	Assets	Amount
Equity Share Capital	1,00,000	Machinery	2,96,000
General Reserve	70,000	Investments	1,12,000
10% Preference Capital	1,80,000	Stock in Trade	1,01,000
10% Debentures	1,20,000	Bills Receivables	20,000
Trade Payables	1,22,000	Trade Receivable	49,000
Bank Overdraft	20,000	Cash and Bank	38,000
Provision Tax	18,000	Profit and loss account	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 year ending 31.3.2020 is Rs.2, 10,000.

Q.5.A. Define Management Accounting. Give its scope. (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) Distinguish Between Current Ratio and Quick Ratio

d) Trend Analysis of Statement

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