

S.Y. Bcom Sem-III - mgmt. Accounting

Seat Number: - _____

Duration: 3 Hours

232071123

Marks:- 100

- Note:-
- 1) All questions are compulsory.
 - 2) Figures to the right indicate maximum marks.
 - 3) Working should form part of the answer
 - 4) Simple Calculator is allowed

Q1A) Match the following (Any 10)

(CO1,2,3-U/R) (10M)

- | Column A | Column B |
|--|-------------------------------------|
| 1) Management Accounting | a) Total Current Assets |
| 2) Trend Analysis | b) Non Quick Current Asset |
| 3) Scrap value under capital | c) A technique of Capital Budgeting |
| 4) Budgeting techniques | d) Used for decision making |
| 5) Current Assets less Current liabilities | e) Fictitious Asset |
| 6) Prepaid Expenses | f) Non quick current liability |
| 7) Securities Premium | g) Quick Ratio |
| 8) Payback period | h) Earliest year as Base year |
| 9) Preliminary Expenses | i) Fixed Rate of interest |
| 10) Bank Overdraft | j) Reserve |
| 11) Test of liquidity | h) Added to last year's cash inflow |
| 12) Debenture | f) Working Capital |

Q1b) State whether the following statement are True or False (Any 10) (CO1,2,3-U/R) (10M)

- 1) Financial statements of a company prepared at the end of the financial year provide information only to the owners of the business.
- 2) Depreciation is a cash business expenditure
- 3) Working capital means Net Current Assets
- 4) There is a time element involved in Capital Budgeting
- 5) Liquid Ratio is used to determine the company's long term solvency
- 6) A higher debt equity ratio indicated a safer financial position of the company
- 7) Outside Contribution is not included in proprietor's fund
- 8) Owners fund and borrowed fund are two constituents of total funds of a company
- 9) Focus of Management Accounting is only an external reporting
- 10) Net present value method consider time value of money
- 11) In common size Income statements capital employed is considered equal to 100%
- 12) Average stock is the total of opening and closing stock

Q2) The following is the Balance Sheet of Ram Ltd. Prepare vertical form of Balance Sheet for analysis (CO2, U &A) (20M)

Balance Sheet as on 31st March 2018

Liabilities	₹	Assets	₹
Equity Share Capital	2,50,000	Land and Building	2,00,000
10% preference share capital	1,50,000	Machinery	2,50,000
General Reserve	2,00,000	Furniture	2,00,000
8% Debentures	1,50,000	Investment	90,000
Creditors	1,00,000	Stock	35,000

Bills Payable	50,000	Debtors	50,000
		Cash	40,000
		Bills Receivable	30,000
		Preliminary Expenses	5,000
	90,00,000		90,00,000

OR

Q2A) From the following Balance Sheet of Praful Ltd prepare Trend Percentage in vertical forms (CO2-R/A) (20M)

Balance Sheet as on 31st March

Particulars	2015	2016	2017
Equity and Liabilities			
Equity Share Capital	2,00,00	2,00,00	2,00,00
8% preference share capital	1,00,000	1,50,000	1,00,000
General Reserve	20,000	22,000	42,000
Debenture	75,000	1,00,000	90,000
Bills Payable	5,000	7,000	10,000
Creditors	15,000	10,000	24,000
Total	4,15,000	4,89,000	4,66,000
Assets			
Fixed Assets	1,50,000	2,00,000	2,00,000
Investment	1,00,000	1,50,000	100,000
Cash	50,000	25,000	40,000
Debtors	70,000	60,000	63,000
Stock	40,000	50,000	60,000
Preliminary Expenses	5,000	4000	3000
Total	4,15,000	4,89,000	4,66,000

Q3) Following is the Profit and Loss Account of Moon Enterprise for the year ended 31.03.21017 (CO2, R/A) (20M)

Particulars	Amount	Particulars	Amount
To opening Stock	4,00,000	By Sales	
To purchases	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 sales of scrap	10,000
To General Adm. Exp.	1,30,000	By dividend Received	1,000
To selling Exp.	1,12,500		
To Dep. on Machinery	2,50,000		
To provision for tax	1,40,500		
To Trs. to General Reserve	2,00,000		
To Net Profit	2,98,000		
	31,11,000		31,11,000

You are required to compute the following ratio

- a) Gross Profit Ratio b) Stock Turnover Ratio c) Administrative Expenses Ratio
 d) Net Profit Before Tax Ratio e) Selling and distribution Ratio

OR

Q3) From the following particulars prepare a Vertical Balance Sheet and calculate the following ratio (CO3,A) (20M)

- 1) Current Ratio 2) Quick Ratio 3) Proprietor's Ratio
 4) Stock to working capital Ratio 5) Capital Gearing Ratio

Particulars	Amount
Equity Share Capital	8,00,000
General Reserve	1,60,000
Profit & Loss Account (Profit)	2,40,000
Unsecured Loan	4,00,000
Secured Loan	2,40,000
Goodwill	4,80,000
Land	4,80,000
Plant and Machinery	6,40,000
Cash	44,000
Stock	5,96,000
Debtors	1,60,000
Outstanding Expenses	2,40,000
Creditors	3,20,000

Q4A) From the following information provided by M/s P&CO. Pvt Ltd. Prepare a statement showing working capital requirements for the year ended 2016-17 (CO3,U/R) (20M)

- a) Estimate sale for the year 2016-17 ₹21,60,000
 b) Estimate cost structure Ratio to selling price raw material 60% Labour 20% and overheads 10%
 c) Selling price ₹ 20 per unit Raw material remain in process for 1 month
 d) Material remains in process for 1 month
 e) Finished goods remain in stock for 1 month
 f) Customer are allowed 2 months credit
 g) Supplier allow 1 month credit
 h) Time lag in payment of wages is one month
 i) Time lag in payment of overheads is half month
 j) Cash and Bank Balance is expected to be 25% of the debtors

- k) Debtors are to be calculated at selling price
 l) During the manufacturing process labour and overheads accrue evenly

OR

Q4B) Pratham Industries Ltd is considering purchasing of two machine Pros and Cons. The initial cost of pros machine is ₹2,00,000 and that of machine con is ₹ 1,50,000. Both machine have five years of life with no scrap value. Company provides depreciation on straight line method of income tax rate is 30%. Expected profit before depreciation and tax for both machine and present value is ₹1@10% rate for the next five years as follows

Year	PV OF ₹ 1	Pros Machines	Cons machine
1	0.909	41,000	32,000
2	0.826	44,000	40,000
3	0.751	50,000	47,000
4	0.683	54,000	50,000
5	0.621	58,000	59,000

You are required to calculate Net present value of each machine model @10%. Discounting factors and suggest the company as to which machine should be purchased.

- Q5a) Explain the meaning and function of Management Accounting (CO1,2,3-U/R) (10M)
 b) Explain the techniques of capital budgeting (CO1,2,3-U/R) (10M)

OR

Q6) Write short notes on: (Any Four)

(20M)

- Classification of current Assets
- Common size financial statements
- Gross Profit Ratio
- Net present value
- Gross working capital
- Cost of goods sold

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