

Duration : 3 hours**B21510OFAA****Total Marks: 100**

Note: (1) All questions are compulsory.
 (3) Working should form part of your answers.

(2) Figures to the right indicate full marks.
 (4) Simple calculator is allowed.

Q.1) (a) : Select the most appropriate answer form the following : (any 10)

(10)

1. Management Accounting information is generally prepared for _____
 (i) Shareholders (ii) creditors (iii) managers (iv) government
2. The focus of management Accounting is on _____
 (i) tax preparation (ii) external reporting (iii) internal reporting (iv) auditing
3. Tactical information is required by _____
 (i) Middle managers (ii) Line managers (iii) Top managers (iv) All workers
4. Following is not a Quick liability
 (i) Unclaimed Dividends (ii) Public Deposit (iii) Bank overdraft (iv) Advances received
5. Which of the following is not a method used in analyzing financial statements
 (i) Ratio analysis (ii) Technical analysis (iii) Trend analysis (iv) Common size statements
6. Capital Gearing Ratio
 (i) Balance sheet ratio (ii) Revenue Statement Ratio (iii) Composite Ratio (iv) Cash flow ratio
7. Standard Liquid ratio
 (i) 2:1 (ii) 1:1 (iii) 65% (iv) 1.33
8. Current Assets – Current Liabilities
 (i) Gross Working Capital (ii) Net Working Capital
 (iii) Permanent Working Capital (iv) Temporary Working Capital
9. _____ refers to idle funds which earns no return.
 (i) Shortage of Working Capital (ii) Excess Working Capital
 (iii) Variable Working Capital (iv) Fixed Working Capital
10. Capital Budgeting is the process of making investment decisions for
 (i) Capital expenditure (ii) revenue expenditure
 (iii) deferred revenue expenditure (iv) cannot be defined
11. Under Accounting Rate of Return _____ is taken into accounts.
 (i) Profit after Depreciation and Tax (ii) Profit after Tax but before Depreciation
 (iii) profit before Tax but after Depreciation (iv) Cash inflows
12. Which factor is given utmost importance under payback period method
 (i) liquidity (ii) flexibility (iii) time value of money (iv) cash inflow

Q.1) (b) : State whether the following sentences are True or False : (any 10)

(10)

1. Selling and Distribution overheads are included in the valuation of finished goods
2. In trend analysis statements, the latest year is taken as base year.
3. Fictitious assets are shown under tangible fixed assets.
4. Combined ratio shows the relationship between two figures which are taken from the Balance Sheet only.
5. Depreciation is a non- cash business expenditure.

6. Permanent Working Capital remains constant.
7. There is time element involved in Capital Budgeting
8. The Net Present Value method considers Time Value of Money.
9. Average stock is the total of Opening stock and Closing stock.
10. Calls in arrears are called in advance.
11. Focus of Management Accounting is on External Reporting.
12. Analysis is a must for interpretation.

Q2) Given below is the Balance sheet of SY Ltd.

(15)

Balance Sheet as on 31st March 2017

Particular	Amount	Particular	Amount
Share Capital	3,75,000	Goodwill	62,500
Capital Reserve	4,000	Land	1,14,500
General Reserve	60,205	Premises	1,25,000
Debenture Redemption Fund	84,000	Plant	93,758
P & L A/C	37,554	Furniture	16,650
5% Debentures	1,57,500	3% G.P. Notes 2010	76,400
Sundry Creditors	36,950	Stock	1,17,815
Provision for Taxation	28,750	Debtors	1,01,971
		Cash at bank	60,140
		Advance Tax	13,675
		Preliminary Expenses	1,550
	7,83,959		7,83,959

Arrange the Balance sheet in vertical form and calculate the following:

- 1) Current Assets 2) Quick Assets 3) Intangible Assets 4) Fixed Assets 5) owned Fund
OR

Q2) From the following financial statement of Nikhil Ltd. prepare a Common Size Financial statement in vertical form and give comments in brief:

Profit and Loss Account for the year ended 31st December, 2017 and 2018

(15)

Particular	2017 (Rs.)	2018(Rs.)	Particular	2017 (Rs.)	2018(Rs.)
To Opening stock	40,000	60,000	By Sales	8,00,000	10,00,000
To Purchases	4,95,000	6,20,000	By Closing stock	60,000	80,000
To Wages	1,25,000	2,00,000			
To Gross Profit	2,00,000	2,00,000			
	8,60,000	10,80,000		8,60,000	10,80,000
To Admin Expenses	50,000	60,000	By Gross profit	2,00,000	2,00,000
To Selling Expenses	25,000	30,000	By Non- operating	10,000	50,000
To Finance Expenses	-	10,000	Income		
To Provision for tax	54,000	60,000			
To Dividend	20,000	25,000			
To Retained	61,000	65,000			
Earnings	2,10,000	2,50,000		2,10,000	2,50,000

Q3) Following is the Revenue Statement of PRODENT ENTERPRISES:

(15)

Trading Profit and Loss Account For the year ended 31st March ,2017

Particular	Amount	Particular	Amount
To Opening Stock	27,150	By Sales	2,55,000
To Purchases	1,63,575	By closing Stock	42,000
To Carried Inward	4,275	By Interest Received on Investment	2,700
To Office Expenses	45,000		
To Sales Expenses	13,500		

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5. credit allowed to 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 requirement for the year 2020-21

5) M/s G Ltd has two different alternative to buy-Machine x and Machine Y .The expected Earnings Before Tax of the two machine are as follows:

Year	MACHINE X	MACHINE Y
1	400000	435000
2	500000	490000
3	600000	580000
4	550000	680000
5	450000	700000
6	420000	680000
7	300000	500000

1. Income Tax rate is to be considered at 20% on Earning Before Tax.
 2. Initial Investment of Machine X is 1,45,000 and of Machine Y is 1,55,000
 3. The scrap value of Machine X and Machine Y is 5,000 and 15,000 respectively
- Calculate Accounting Rate of Return on the basis of Average Investment.**

OR

Q.5) The cost of machinery A is 1000000 and cost of Machinery B is 2000000. Depreciation has been applied on a straight Line Method with no salvage value. (15)

YEAR	Net profit after depreciation and Tax of Machine A in rupees	Net Profit After Depreciation and tax of machine A in rupees
1	500000	1200000
2	600000	1200000
3	700000	1500000
4	800000	1600000
5	700000	1500000

1. Using Average Rate of return Method analyze which machine should be accepted .
2. Using Payback Period method which machine should be accepted.

- Q6(a) Explain the nature and scope of Management Accounting (10)
 (b) Explain the Revenue Statement ratio. (10)

OR

- Q6(a) Write short notes: (Any 4)** (20)
- a. Net Working Capital
 - b. Users of Financial Statement
 - c. Techniques of Capital Budgeting
 - d. Advantages of Ratio Analysis
 - e. Balance Sheet Ratio
 - f. Strategic Information

XXXXXXXXXXXXXXXX

To Loan on Sale of Fixed assets	1,200		
To Net Profit c/d	45,000		
	<u>2,99,700</u>		<u>2,99,700</u>

Calculate the following ratios:

- a) Gross Profit b) Operating Ratio c) Stock Turnover Ratio
 b) d) office Expenses Ratio e) Net Profit Before Tax Ratio

OR

Q3) From the following particulars prepare a vertical Balance Sheet and calculate the following ratio: (15)

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

Particulars	Amount
Fixed Assets	19,16,000
Provision for Tax	1,40,000
Closing stock	1,30,000
Reserve and Surplus	1,72,000
Bank Overdraft	32,000
Bills Receivable	48,000
Cash in hand	80,000
Creditors	60,000
Debtors	70,000
8% Debtors	6,00,000
6% Preference Share Capital	4,00,000
Equity Share Capital	8,00,000

Q4) From the following information provided by M/s P & Co. Pvt. Ltd. , prepares a statement showing Working Capital requirements for the year 2020-21: (15)

- Estimated sales for the year 2020-21 Rs. 21,60,000.
- Estimated cost structure ratios to selling price – Raw materials 60%, Labour 20%, and overheads 10%.
- Selling price Rs. 20 per unit.
- Raw material remains in stock for 2 months.
- Materials remain in process for 1 month.
- Finished goods remain in stock for 1 month.
- Customers are allowed 2 months credit.
- Suppliers allow 1 month credit.
- Time lag in payment of wages is one month.
- Time lag in payment of Overheads is half a month.
- Cash and bank Balance is expected to be 25% of the Debtors.
- Provide a Margin of Safety at 10%.
- Debtors are to be calculated at selling price.
- During the manufacturing process Labour and Overheads accrue evenly.

OR

Q4) Ruby Manufacturing company gives the following details . Estimated level of activity 26,000 units of production for the year 2020-21. (15)

Raw Material Rs. 20, Direct wages Rs. 8, Overheads Rs. 16, Selling Price Rs. 5

Further information:

- Raw material in stock average 4 weeks consumption.
- Work-in-progress 2 weeks .
- Finished Good in stock for 2 weeks.
- Credit allowed by suppliers for 2 weeks.

a) Optimism b) Planning c) Direction d) Controlling

Q.1. B. State whether the following statements are True or False. (ANY10) (10M)

1. Professional management approach is required for success in business.
2. HR approach places higher importance to industrial productivity.
3. Indian ethos focuses more on process oriented work culture. .
4. Planning is the primary function of management.
5. MIS helps in decision –making.
6. Decision-making is occasional in nature.
7. Good organization structure facilitates efficient management.
8. Virtual organization is possible without IT.
9. Ideal span of management ensures good team spirit.
10. In management audit ,only financial aspects are reviewed
11. A leader acts as a link between top management and employees
12. Motivation is a predictable task.

Q.2) ANSWER THE FOLLOWING: (15M)

1. Define management .Explain importance of management.
2. Describe the function of management.
3. Briefly explain 14th Principles of management.

Q.3) ANSWER THE FOLLOWING (15M)

1. Briefly explain steps in planning process.
2. Describe the components of planning.
3. Explain the essentials of decision making.

Q.4) ANSWER THE FOLLOWING (15M)

1. Distinguish between formal v/s informal organizations.
2. Explain the bases of departmentation.
3. Explain tall organization.

Q.5) ANSWER THE FOLLOWING (15M)

1. What are the factors influencing motivation.
2. Define leadership. Explain its functions.
3. What is controlling? Discuss its features.

Q.6) WRITE SHORT NOTES ON: (Any 4out of 6) (20M)

1. Functions of management
2. Coordination
3. MIS
4. Decentralization
5. Style of leadership
6. PERT as a controlling Technique