

Duration :- 2 ½ Hours

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Marks:-75

Note: - A) All questions are compulsory. B) Figures to the right indicate full marks.

Q.1 (a) Match the Following :- (Any 8)

CO1,2 (U,R)

(8m)

Column "A"	Column "B"
1. Standard Current Ratio	a. Objective of Management
2. Gross Working Capital	b. Tangible Asset
3. Debentures	c. 3:1
4. Equity Shareholders	d. MPS / EPS
5. Bonus Shares	e. Revenue Statement Ratio
6. Net Profit Ratio	f. Issued free of Cost
7. Goodwill	g. Preference Share Capital
8. Maximization of Profit	h. Real Risk Takers
9. Fixed Dividend	i. Borrowed funds
10. P/E Ratio	j. Current Assets
	k. 2:1
	l. Intangible Asset

Q.1 (b) Select most appropriate options from the following: - (Any 7) CO1, CO2 (U/R)

(7m)

- The Standard ratio for Current Ratio is _____.
a. 2:1 b. 1:1 c. 3:1 d. 5:1
- _____ is an example of Office & Administrative Expenses.
a. Office Rent b. Debtors c. Selling Expenses d. Factory Wages
- Bonus Shares are issued to _____.
a. Creditors b. Equity Shareholders c. Debentures d. Reserves
- If Current Assets – 60,000/-, Current Liabilities – 40,000/- Then Working capital = _____.
a. 60,000 b. 40,000 c. 20,000 d. 10,000
- Short Term Investment will be Considered as _____.
a. Current asset b. Current Liability c. Income d. Expense
- If EPS = 20/- per share, Dividend payout ratio is 40%, Then amount of Dividend per share will be _____.
a. 8/- b. 10/- c. 5/- d. 10/-
- If creditors =14000, Debtors. 58000, Bill receivable - 10000, bill payable 4000, Stock 18000. What will be the amount of Quick Assets?
a. 68,000/- b. 10,000/- c. 15,000/- d. 20,000/-
- If Sales = 500000/- , Gross Profit =150000, What will be gross Profit Ratio ?
a. 20% b. 30% c. 15% d. 10%
- _____ is an example of Non Quick Liability.
a. Bank b. Bank Overdraft c. Debtors d. Creditors
- Margin of Safety reserves are _____ to Working capital.
a. Added b. Deducted c. Multiplied d. Divided

Q.2 Prepare Vertical Income Statement of M/s Kailash For the year ended 31st March 2023. CO1 (AP) (15m)

Dr. Profit/Loss A/c for the year ended 31 st March 2023.		Cr.	
Particulars	Amount	Particulars	Amount
To Opening Stock	44,000	By Sales	1,90,000
To Purchases	84,000	By Closing Stock	46,000
To Wages	40,000	By Interest Received	20,000
To Factory Expenses	32,000		
To Establishment Expenses	8,000		
To Management Expenses	2,000		

To Selling Expenses	6,000		
To Interest	6,000		
To Loss on Sale of Assets	2,000		
To Income Tax paid	22,000		
To Net profit	10,000		
	<u>2,56,000</u>		<u>2,56,000</u>

OR

Q.2 Prepare Vertical Balance sheet of Drishti Ltd. for the year ended 31st March 2021. CO1 (AP) (15m)
Balance Sheet as on 31st March, 2021

Liabilities	Amount	Assets	Amount
Equity Share Capital	4,00,000	Land	1,00,000
8% Preference Share Capital	3,00,000	Building	3,00,000
General Reserves	2,00,000	Plant	3,00,000
10% Debentures	1,00,000	Furniture	1,00,000
Creditors	1,50,000	Stock	2,00,000
Bills payable	50,000	Debtors	2,00,000
Bank Overdraft	1,00,000	Cash	1,00,000
	<u>13,00,000</u>		<u>13,00,000</u>

Q.3 From the following financial statement of Divya Ltd. Calculate Income statement Ratios –

1. Gross Profit Ratio 2. Net Profit Ratio 3. Expenses Ratio
4. Operating Profit Ratio 6. Stock Turnover ratio CO1 (AN) (15m)

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

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
To Opening stock	60,000	By Sales	10,00,000
To Purchases	6,20,000	By Closing stock	80,000
To Wages	2,00,000		
	<u>2,00,000</u>		
To Gross Profit	<u>10,80,000</u>		<u>10,80,000</u>
	60,000	By Gross profit	2,00,000
To Admin Expenses	30,000	By Non- operating Income	50,000
To Selling Expenses	10,000		
To Finance Expenses	60,000		
To Provision for tax	25,000		
To Depreciation			
To Net Profit	<u>65,000</u>		
	<u>2,50,000</u>		<u>2,50,000</u>

OR

Q.3 L & T Ltd. gives you the following balance sheet for the year 2021. CO2 (AN) (15m)
Balance Sheet as on 1st April 2021

Liabilities	Amount	Assets	Amount
Equity share Capital	1,20,000	Land	2,70,000
5% Preference Share Capital	60,000	Building	2,70,000
General Reserve	42,330	Stock	36,300
Profit and Loss Account	28,080	Debtors	38,460
Provision for Tax	8,000	Prepaid Expenses	17,000
Creditors	3,81,990	Bank Balance	3,240
		Misc. Expenditure	5,400
	<u>6,40,400</u>		<u>6,40,400</u>

You are required to Rearrange the above balance sheet into Vertical form and calculate:-

- 1) Current Ratio
2. Quick ratio
3. Stock Working capital Ratio
4. Debt Equity Ratio
5. Proprietary Ratio

Q.4 You are required to prepare a statement showing the working capital requirement for the month of September 2023.

Annual Production is 36,000 units CO2 (AP) (15m)

Particulars	Amount (Per Unit)
Raw Material	200
Direct Wages	100
Overheads	150
Selling Price	600

Additional Information

- a. Raw materials are in stock on an average for 2 months.
- b. Materials are in process on an average for 3 months.
- c. Finished goods are in stock on an average for 1 month.
- d. Credit allowed by the Creditors is 1 month.
- e. Credit allowed to the Debtors is 2 months.
- f. Lag in payment of wages and an overhead is 1 month.
- g. Cash Balance is Rs. 80,000/-

OR

Q.4 (a) Following information is available relating to Infosys Ltd. CO2 (AP) (7m)

Particulars	Rs. (In 1000)
Equity Share Capital (Rs. 10 Face Value)	600
Profit After Tax	60
Proposed Dividend	30
12% Debentures	400
Market Price per share	120/-

You are required to calculate:

- a. Earnings Per Share
- b. P/E ratio
- c. Dividend Pay-out ratio
- d. Debt Equity ratio
- e. Return on Equity Shares

Q.4 (b) Following are the details regarding three companies X Ltd., Y Ltd. CO2 (AP) (8m)

Particulars	X Ltd.	Y Ltd.
Earning per Share	16/-	18/-
Dividend per share	8/-	10/-
Internal Rate of Return	15%	16%
Cost of Capital	7%	10%

Calculate the value of equity share for each company applying Walter's model.

Q.5 a) Explain need & Importance of Management Accounting CO1 (R) (8m)

Q.5 b) What are the various factors affecting Working capital requirement ? CO1 (U) (7m)

OR

Q.5 Write short notes (Any 3) (15m)

1. Types of Balance Sheet Ratios CO1 (U/R)
2. Working Capital Cycle CO2 (U)
3. Income Statement CO1 (U)
4. Sources of Finance CO1 (U)
5. Bonus shares CO2 (R)

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