

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) State whether the following statements are true or false:- (Any 8) CO1,2 (R/U) (8m)

1. Management Accounting is future Oriented.
2. Own Funds and Owed funds are the same.
3. Debtors are an example of Current liability.
4. Earning per share represents profitability of the company.
5. Standard Acid Test Ratio is 2:1.
6. Stock of finished goods is calculated on cost of production.
7. Bonus shares are issued to Equity shareholders free of cost.
8. If Stock = 80000/-, Working capital = 160000/-, then stock working capital ratio will be 70%.
9. Seasonal Working Capital remains constant.
10. The formula for calculating Dividend per share = Total Dividend /No. of shareholders.

Q.1 (b) Match the Following :- (Any 8) CO1,2 (U,R) (7m)

Column "A"	Column "B"
1. Debt Equity Ratio	a. Objective of Management
2. Working Capital	b. Tangible Asset
3. Stock	c. Fixed Dividend
4. Reserves & Surplus	d. MPS / EPS
5. Bonus Shares	e. Revenue Statement Ratio
6. Gross Profit Ratio	f. Issued free of Cost
7. Land & building	g. Own Funds
8. Maximization of Profit	h. Non Quick Asset
9. Preference Share Capital	i. Current Assets – Current Liabilities
	j. 2:1
	k. Intangible Asset

Q.2 Aaradhya Ltd. gives you details of Balance sheet as on 1<sup>st</sup> April, 2022. CO1,2 (AP) (15m)

Balance Sheet as on 1<sup>st</sup> April, 2022.

Liabilities	Amount	Assets	Amount
Equity Share Capital	4,00,000	Land & Building	1,00,000
12% Preference Share Capital	3,00,000	Plant & Machinery	2,70,000
General Reserves	2,00,000	Goodwill	2,70,000
12% Debentures	1,50,000	Furniture	1,40,000
Creditors	2,45,000	Stock	3,00,000
Bills Payable	75,000	Debtors	3,00,000
Bank Overdraft	1,50,000	Cash	1,40,000
	<b>15,20,000</b>		<b>15,20,000</b>

Prepare Vertical Balance Sheet as on 1st April 2022.

OR

Q.2 Prepare Vertical Income Statement of M/s Nikunj Ltd. For the year ended 31<sup>st</sup> March 2023. (15m)

CO1 (AP)

Particulars	Amount	Particulars	Amount
To Opening stock	40,000	By Sales	2,00,000
To Purchases	72,000	By Closing Stock	44,000
To Office Rent	36,000		
To General Expenses	28,000		
To Establishment Expenses	6,000		

To Management Expenses	2,000		
To Selling Expenses	10,000		
To Interest on Debentures	8,000		
To Loss on Sale of Assets	2,000		
To Income Tax	24,000		
To Net profit	16,000		
	<u>2,44,000</u>		<u>2,44,000</u>

Q.3 JK Shah Ltd. gives you the following balance sheet for the year 2020.

CO2(AN) (15m)

**Balance Sheet as on 1<sup>st</sup> April 2020**

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	42,000	Stock	36,300
Profit and Loss Account	28,410	Debtors	38,460
Provision for Tax	8,000	Prepaid Expenses	17,000
Creditors	3,81,990	Bank Balance	3,240
		Preliminary Expenses	5,400
	<b>6,40,400</b>		<b>6,40,400</b>

**Other Information:-**

1. Credit Sales for the year – Rs. 5,34,000
2. Credit purchases were – Rs. 6,00,000

**You are required to calculate:-**

1. Current Ratio
2. Quick ratio
3. Stock Working capital Ratio
4. Debt Equity Ratio
5. Proprietary Ratio
6. Debtors Turnover Ratio
7. Creditor Turnover Ratio

OR

Q.3 Following is the Profit/ Loss A/c of Mr. Shekhar for the year 2022.

CO1 (AP) (15m)

Dr. Profit & Loss A/c. for the year ending 31st March, 2022		Cr.	
Particulars	Amount	Particulars	Amount
To Opening Stock	56,000	By Sales	7,20,000
To Purchases	2,20,500	By Closing Stock	78,600
To Office Expenses	9,500		
To Office Rent	1,00,000		
To Sales Expenses	34,600		
To Finance Expenses	1,00,000		
To Net Profit	2,78,000		
	<b>7,98,600</b>		<b>7,98,600</b>

**Rearrange above in Vertical Income Statement and Calculate following ratios.**

1. Gross Profit Ratio
2. Net Profit Ratio
3. Operating Profit Ratio
4. Expenses Ratio
6. Stock Turnover Ratio

Q.4 The following information is presented by data and Sonam Ltd. for the month of September 2021.

CO1 (AP) (15 m)

**Estimated Yearly Production = 48,000 units.**

**Estimated Cost Sheet Rs. (Per Unit)**

- Raw Materials 5
- Wages 3
- Overheads 2
- Selling Price 12

**Further Information:**

- The company extends two months' credit to the Debtors.
- The company maintains one month's stock of Raw Material.
- The company maintains a two month's stock of finished goods.
- The processing period is two a month.
- The company is allowed one month's credit by creditors.
- Wages and Overheads are paid one month in arrears.
- The cash and bank balance is expected to be Rs. 50,000/-

**Prepare a Working Capital Statement.**

**OR**

**Q.4** Following are the details regarding three companies X Ltd. & YLtd :- **CO2 (AP) (15 m)**

Particulars	X Ltd.	Y Ltd.
Earning per Share	20/-	22/-
Internal Rate of Return	15%	16%
Cost of Capital	7%	10%

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

Dividend payout ratio is (i) 40% (ii) 60%.

- Q.5 a)** Define Management Accounting. Explain its various tools. **CO1 (R) (8m)**  
**Q.5 b)** Define Bonus shares. Explain legal procedure in the issue of Bonus Shares ? **CO2 (U) (7m)**

**OR**

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

1. Types of Income Sheet Ratios **CO1 (U/R)**
2. Working Capital **CO2 (U)**
3. Financial Statements **CO1 (U)**
4. Sources of Finance **CO1 (U)**
5. Types of Dividend Policy **CO2 (R)**

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