

A&F (Sem-IV)

mgmt. Ac

QP Code : 28470

(2 ½ Hours)

[Total Marks : 75

- N.B. : (1) All questions are compulsory.
(2) Each question carries 15 marks having options.
(3) Working Note should form part of your answer.

1.(A) Fill in the blanks (any 8):-

- (i) Proprietors fund = share capital + _____ - fictitious Assets / Losses.
(ii) In Composite Ratio one figure is from Balance sheet and the other from _____.
(iii) Simple bar graphs can be presented in vertical or _____ form.
(iv) Annual Report of a company is compulsory under _____ Act.
(v) Capital Budgeting involves _____ term decisions.
(vi) _____ Term investments are marketable Investments.
(vii) _____ motive of holding cash refers to cash for the purpose which cannot be anticipated or predicted.
(viii) Internal Rate of Return is a rate at which the Net present Value is equal to _____.
(ix) Gross profit Ratio = $\frac{\text{Net Sales}}{\text{Net Sales}} \times 100$
(x) If Net Profit before tax is ₹4,00,000 and tax rate is 20% then Net profit After tax is ₹_____.

(B) Match the column (any 7):-

- | | |
|-------------------------------------|--|
| (1) Internal Rate of Return | (a) Acid Test Ratio |
| (2) Shortest payback | (b) Only Cash Transaction |
| (3) Liquid Ratio | (c) Trial and Error Method |
| (4) Current Ratio | (d) Non-Cash item |
| (5) Cash Budget | (e) Accept the project |
| (6) Depreciation | (f) Written form |
| (7) Profitability Index less than 1 | (g) standard Ratio 2:1 |
| (8) Descriptive Reports | (h) Cash flow from Investment Activity |
| (9) Graphical Reports | (i) Reject the project |
| (10) Purchase of Land | (j) Pie chart |

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2. You are required to complete the following Balance Sheet as on 31.03.2015 15
Balance Sheet as on 31.03.2015

| Liabilities | ₹ | Assets | ₹ |
|--------------------------|-----------|------------------|-----------|
| Equity share capital | 15,00,000 | Land&Buildings | 20,00,000 |
| Preference share capital | 10,00,000 | Plant& Machinery | 10,00,000 |
| Reserves & surplus | ? | Furniture | 7,50,000 |
| Loans | 2,50,000 | Debtors | ? |
| Creditors | ? | Stock | ? |
| | | Cash | ? |
| | ? | | ? |

Others details:-

- (1) Share capital is equal to Reserves and surplus
 - (2) Sales to Net Worth is 1.5:1
 - (3) Sales to Debtor is 6:1
 - (4) Gross profit 20%
 - (5) Working Capital ₹15,00,000
 - (6) Stock Turnover Ratio = 6
 - (7) Current Ratio 2.5:1
 - (8) Quick Ratio 1.5:1
 - (9) Opening stock is ₹10,00,000
2. The Current Ratio of a company is 2:1 Current Asset is ₹2,00,000. Give the 15
effect of following transaction on the Current Ratio
(Treat each transaction separately)
- (a) Sold goods worth ₹10,000 on credit
 - (b) Sold furniture for cash ₹5,000
 - (c) Paid to supplier ₹12,000
 - (d) Paid for cash Purchases ₹20,000
 - (e) Received from debtors ₹8,000

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3. Q ltd is considering to invest in the following project The details are as follows: 15

| Particulars | ₹ |
|---------------------|----------|
| Cost of the project | 5,00,000 |
| Estimated Life | 5 years |

Expected Net Profit After Tax:

| Year | ₹ |
|------|----------|
| I | 40,000 |
| II | 1,00,000 |
| III | 1,10,000 |
| IV | 1,50,000 |
| V | 1,00,000 |

Depreciation is charged on straight line basis.

Present value of ₹1 at 10% is discount rate:

| Year | 1 | 2 | 3 | 4 | 5 |
|---------------|-------|-------|-------|-------|-------|
| Present value | 0.909 | 0.826 | 0.751 | 0.683 | 0.621 |

- Calculate : (1) Net Present Value
(2) Profitability Index

OR

3. Suman Ltd is considering to purchase a machine. Cost of the Machine is 12,00,00. 15

Expected Net Profit After Tax:

| Year | ₹ |
|------|----------|
| I | 4,00,000 |
| II | 5,00,000 |
| III | 3,00,000 |
| IV | 5,00,000 |
| V | 3,50,000 |
| VI | 3,50,000 |

The Machine has a life span of 6 years and will be depreciated on straight Line Basis

- Calculate (1) Pay back period
(2) Average Rate of Return
(Based on original investment)

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4. Prepare a cash Budget for 3 months commencing from 1st January 2016 to 15 31st March 2016.

Following are the estimated details

| Particulars | Nov 2015(₹) | Dec 2015(₹) | Jan 2016(₹) | Feb 2016(₹) | Mar 2016(₹) |
|------------------|----------------|----------------|----------------|----------------|----------------|
| Sales | 3,00,000 | 3,00,000 | 2,50,000 | 3,50,000 | 4,00,000 |
| Purchases | 1,00,000 | 1,50,000 | 1,50,000 | 2,00,000 | 2,00,000 |
| Salaries | 40,000 | 40,000 | 45,000 | 45,000 | 40,000 |
| Selling expenses | 20,000 | 20,000 | 10,000 | 10,000 | 15,000 |
| Office expenses | 35,000 | 35,000 | 40,000 | 45,000 | 40,000 |

- (1) 70% of sales are on cash basis
- (2) Customers are allowed two months credit
- (3) 90% of Purchase are on credit basis
- (4) Suppliers give one month credit
- (5) Selling expenses are paid after one month
- (6) A machinery will be purchased in March 2016 for ₹50,000.
- (7) Cash Balance as on 01.01.2016 is to be taken 1,00,000

OR

4. Following are the estimated details of Jaywant Ltd:

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| Month | Sales (₹) | Purchase (₹) | Factory expenses (₹) | Selling expenses (₹) | Office expenses (₹) |
|------------|--------------|-----------------|----------------------------|----------------------------|---------------------------|
| Dec 2015 | 3,40,000 | 2,00,000 | 40,000 | 2,000 | 50,000 |
| Jan 2016 | 3,00,000 | 2,50,000 | 45,000 | 4,000 | 30,000 |
| Feb 2016 | 4,00,000 | 3,00,000 | 42,000 | 5,000 | 40,000 |
| March 2016 | 5,00,000 | 2,00,000 | 43,000 | 3,000 | 45,000 |

- (a) Credit allowed to customers is one month.
 - (b) Credit given by suppliers one month.
 - (c) A rent of ₹5,000 is paid each month.
 - (d) 80% of sales are on Cash Basis
 - (e) 50% of purchases are on Cash Basis.
 - (f) A furniture will be purchased in Feb 2016 for ₹20,000.
 - (g) A dividend of ₹10,000 will be received in March 2016.
 - (h) Cash Balance as on 01.01.2016 is to be taken as ₹1,50,000.
- Prepare Cash Budget from 1st Jan 2016 to 31st March 2016.

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5. (a) Give classification of Reports based on forms
(b) Explain problems faced in Management Information System

OR

5. Write short notes (any three):-
(1) Cash Flow Statement
(2) Internal Rate of Return Method
(3) Importance of Auditors Report
(4) Ratio Analysis
(5) Cash Budget

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