

SYBBI

Mgmt A/c  
XY9AEZ

(L)

Duration : 2.5 Hrs.

Marks 75

All the questions are compulsory.  
Figures to the right indicates marks.

- Q. 1 A) State whether the following statements are True or False. (8)  
(Any 8)
1. Reserve are part of owned capital.
  2. Management Accounting helps Management in decision making process.
  3. Authorised capital is the maximum amount of capital.
  4. Transfer to general reserve is an appropriation
  5. Goodwill is a intangible Fixed Assets.
  6. Temporary working capital remains constant.
  7. Trade credit is a source of working capital
  8. Liquid assets are highly liquid in nature.
  9. Bills payable is a current liability.
  10. Standard current ratio is 2:1

- Q. 1 B) Match the following (Any 7) (7)
- | Group 'A'                 | Group 'B'  |
|---------------------------|--|
| 1. Ratio Analysis         | a) Net Profit ÷ sales  |
| 2. Debtors turnover ratio | b) Long term Borrowing   |
| 3. Operating Ratio        | c) Efficiency in collections of Debtors                              |
| 4. Net Profit Ratio       | d) Own Fund  |
| 5. Debenture              | e) $\frac{\text{Fixed Assets}}{\text{Proprietary Funds}} \times 100$ |
| 6. Working Capital        | f) Current Assets  |
| 7. Proprietors Ratio      | g) Proportion between two figures                                    |
| 8. Debtors                | h) Non current Liabilities   |
| 9. Bank Overdraft         | i) Current Assets–Current Liabilities                                |
| 10. Reserves & Surplus    | j) Operating Exps. ÷ sales   |

- Q.2 The accountant of a company submits the following financial statements for 2014. Trading and Profit and Loss A/c for the Year Ended 31st March, 2014 (15)

Expenses	Rs.	Income	Rs.
To Opening-Stock	35,000	By Sales	8,30,000
To Purchase	7,50,000	By Closing Stock	80,000
To Gross Profit	1,25,000		
	<b>9,10,000</b>		<b>9,10,000</b>
To Depreciation	18,000	By Gross Profit	1,25,000
To Other Expenses	37,000	By Interest	5,000
To Tax Provision	20,000		
To Proposed Dividend	8,000		
To Net Profit	47,000		
	<b>1,30,000</b>		<b>1,30,000</b>

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Balance Sheet as at 31st March, 2014

Liabilities	Rs.	Assets	Rs.
Share Capital	1,50,000	Cash	24,000
Bank Overdraft	19,000	Stock	80,000
Creditors	13,000	Debtors	69,000
Depreciation Provision	27,875	Land & Buildings	46,075
Tax Provisions	20,000	Machinery/Equipment	64,300
Proposed Dividend	8,000	Prepaid Expenses	750
Profit & Loss A/c	90,000	Goodwill	10,000
		Preliminary Expenses	3,500
		Loan	30,000
	<b>3,27,875</b>		<b>3,27,875</b>

Rearrange the above in a form suitable for analysis.

OR

- Q.2 Following is the Profit and Loss Account of Well-balanced Limited (15)  
for the year ended 31st March, 2014. You are required to prepare  
Vertical Income Statement for purpose of analysis.

	Rs.		Rs.	Rs.
To Opening Stock	7,00,000	By Sales....		
" Purchase	9,00,000	Cash	5,20,000	
" Wages	1,50,000	Credit	15,00,000	
" Factory Expenses	3,50,000		20,20,000	
" Office Salaries	25,000	Less: Returns &	20,000	
" Office Rent	39,000	Allowance		
" Postage & Telegram	5,000			
" Directors Fees	6,000	By Closing Stock		20,00,000
" Salesman Salaries	12,000	" Dividend on		6,00,000
" Advertising	18,000	Investment		10,000
" Delivery Expenses	20,000	" Profit on Sale of		20,000
" Debenture Interest	20,000	Furniture		
" Depreciation:				
On Office Furniture	10,000			
On Plant	30,000			
On Delivery Van	20,000			
" Loss on Sale of Van	5,000			
" Income Tax	1,75,000			
" Net Profit	1,45,000			
<b>Total Rs.</b>	<b>26,30,000</b>	<b>Total Rs.</b>		<b>26,30,000</b>

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Q. 3 Following are the financial statements of a trading company for the year ended 31st March, 2014. (15)

**Profit and Loss Account for the year ended 31st March, 2014**

	Amount Rs.		Amount Rs.
To Opening stock	60,000	By Sales (Net)	8,00,000
To Purchases	6,20,000	By Closing Stock	75,000
To Freight and Insurance	13,000	By Dividend on Investments	2,000
To Carriage Inward	7,000	By Sale of Scrap	4,300
To Administrative Expenses	72,000		
To Selling and Distribution Expenses	38,500		
To Finance Expenses	4,500		
To Claim for Damages for breach of Trademark	3,800		
To Net profit c/d	62,500		
	<b>8,81,300</b>		<b>8,81,300</b>

Balance Sheet as at 31st March, 2014

Liabilities	Rs.	Assets	Rs.
6% Preference Share Capital	2,50,000	Fixed Assets (Net)	6,00,000
Equity Share Capital	3,00,000	Investments:	
Capital Reserve	27,500	- Marketable	55,000
General Reserve	78,000	- Non-marketable	1,14,000
Profit and Loss A/c.	14,750	Stock	40,500
8% Debentures	1,75,000	Sundry Debtors	1,05,100
Bank Overdraft	80,000	Advances	700
Sundry Creditors	47,000	Cash and Bank Balances	52,200
Outstanding Expenses	6,250	Underwriting Commission	11,000
	<b>9,78,500</b>		<b>9,78,500</b>

Present the above statements in vertical form and work out the following:

- (a) Current Ratio. (b) Quick Ratio. (c) Proprietary Ratio. (d) Capital Gearing Ratio. (e) Gross Profit Ratio. (f) Return on Proprietor's Equity Ratio.

OR

Q. 3 From the following Balance sheet and profit and loss account of Kitan Ltd., calculate the following ratios: (15)

- (a) Current Ratio. (b) Debt-Equity Ratio.  
 (c) Proprietary Ratio. (d) Stock-to-Working Capital Ratio.  
 (e) Debtors Turnover Ratio. (f) Creditors Turnover Ratio.  
 (g) Gross Profit Ratio. (h) Net Profit Ratio.

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Balance Sheet as at 31st March 2014

Liabilities	Rs.	Assets	Rs.
Preference Capital	50,000	Building	1,85,000
Equity Capital	1,00,000	Long Term Investments	40,000
Reserves	35,000	Stock	35,000
10% Debentures	50,000	Debtors	30,000
Creditors	20,000	Cash and Bank Balance	10,000
Outstanding Expenses	45,000		
<b>Rs.</b>	<b>3,00,000</b>	<b>Rs.</b>	<b>3,00,000</b>

Profit and Loss Account for the year ended 31st March 2014

Particulars	Rs.	Particulars	Rs.
To Cost of Goods Sold	1,75,000	By Sales	3,00,000
To Administrative Expenses	25,000		
To Finance Expenses	15,000		
To Selling Expenses	20,000		
To Depreciation	15,000		
To Provision for Taxation	20,000		
To Net Profit	30,000		
<b>Rs.</b>	<b>3,00,000</b>	<b>Rs.</b>	<b>3,00,000</b>

- Q. 4 A company is having its level of activity at 36,000 units perspective year (same as last year) which is evenly spread out during the year. The cost statement of the company is as under: (15)

Particulars	Per Unit (Rs.)
Raw Material	5
Direct Labour	3
Overheads	2
Profit	2
Selling Price	12

Other Information:

- i) Raw materials remain in stock for one month.
- ii) Processing time is nil
- iii) Finished goods remain in stock for 2 months.
- iv) Credit allowed by suppliers of raw materials is one month.
- v) Credit allowed to debtors is 2 months.
- vi) The company intends to maintain cash on hand and balance at bank equal to one month's raw material cost, two months' labour cost and three months' overhead cost for the contingencies.
- vii) 20% of sales are for cash.

You are required to prepare a statement showing working capital requirements of the company.

OR

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Q. 4

The following appear in the balance sheet of R Ltd.  
Company as on 31.3.2017.

(15)

Liabilities	Rs.	Assets	Rs.
10,000 shares of Rs.10 each, Rs.8 paid-up	80,000	Sundry Assets	1,26,000
Reserve and Surplus:			
General reserve	2,000		
Capital redemption reserve	4,000		
Profit and Loss A/C	40,000		
	<b>1,26,000</b>		<b>1,26,000</b>

The company declared bonus:

- (A) Making partly paid up shares as fully paid up.
  - (B) Issue of 1,000 paid up shares of Rs. 10 each to the existing shareholders. For the purpose, Profit and Loss should be utilized to the minimum extent.
- Prepare Revised Balance-sheet.

Q. 5(A) Explain branches of accounting.

(8)

(B) Explain Walters model.

(7)

OR

Q 5) Write short note on (Any three)

(15)

1. Bonus Shares
2. Advantages of Management Accounting
3. Factors influencing working capital.
4. Operating cycle
5. Return on Capital employed