

Q.1 A] State whether following statement is True or False. (Any 8)

(08)

1. Provision for Tax is current Liability.
2. Acid- test Ratio is also known as quick Ratio.
3. Loan fund is part of sources of fund.
4. Capital Gearing Ratio is Balance sheet Ratio.
5. Standard current Ratio is 2:1.
6. Goodwill is part of source of fund.
7. Working capital=Current Asset -Current Liabilities.
8. Stock is liquid Asset.
9. Operating and financial leverage is same.
10. In common size statement capital employed is taken as 200% in case of Balance sheet.

B] Expand the following abbreviations. (Any 7)

(07)

1. NPV
2. IRR
3. EBIT
4. ARR
5. CFS
6. EPS
7. NOI
8. EBI
9. FV
10. ROI

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Q.2.A] Rearrange the below statement in vertical form.

(15)

Trading & profit & loss A/C for the year ended 31-12-2004

Particulars	Rs.	Particulars	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		
	9,10,000		9,10,000
To Depreciation	18,000	By Goss 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		
	1,30,000		1,30,000

Balance sheet as on 31st Dec, 2004

Liabilities	Rs.	Assets	Rs.
Share Capital	1,50,000	Cash	24,000
Bank overdraft	19,000	Stock	80,000
Creditors	40,875	Debtors	69,200
Provision for Tax	20,000	Land and Building	46,057
Proposed dividend	8,000	Machinery	74,300
Profit & Loss A/C	90,000	Prepaid Expenses Goodwill	33,500
	3,27,875		3,27,875

Q.2.B] following Is the Balance sheet of M/S Suren Ltd as on 31st March, 2013.

Balance sheet as on 31st March, 2013

Liabilities	Rs.	Assets	Rs.
Equity share capital	2,50,000	Land & Building	2,00,000
10% preference share Capital	1,50,000	Machinery	2,50,000
General Reserve	2,00,000	Furniture	2,00,000
8% Debenture	1,50,000	Investment	90,000
Creditors	1,00,000	Stock	35,000
Bills payable	50,000	Debtors	50,000
		Cash	40,000
		Bills receivable	35,000
	9,00,000		9,00,000

Prepare a common size Balance sheet in vertical form.

Q.3.A] Following are Trading & Profit & Loss A/C of Samir Ltd for the year ending 31st March, 2014 & Balance sheet on that date.

Profit & Loss A/C

Particulars	Rs.	Particulars	Rs.
To opening stock	1,45,000	By sales	7,50,000
To purchase	6,10,000	By closing stock	1,55,000
To Gross Profit	1,50,000		
	9,05,000		9,05,000
TO Sundry profit	80,000	By Gross Profit	1,50,000
To Net Profit	70,000		
	1,50,000		1,50,000

Balance sheet

Liabilities	Rs.	Assets	Rs.
Share Capital	7,00,000		
Reserve & Surplus	50,000	Fixed Assets	5,50,000
Net Profit	70,000	Stock	1,55,000
Bank overdraft	35,000	Debtors	1,80,000
Creditors	1,50,000	Cash	1,20,000
	10,05,000		10,05,000

You are required to calculate the following ratios-current Ratio, quick ratio, Gross Profit Ratio, Net Profit Ratio, Stock Turnover Ratio, Debtors Turnover Ratio, and Creditors Turnover Ratio.

OR

3.B] From the following information, prepare an estimate of the working capital. (15)

Production 30,000 units

Cost sheet per unit:-

Raw materials 6

Labor 1

Overheads 2

Total cost 9

Profit 1

10

1. Material in hand 2 months requirement
2. Production time 1 month.
3. Finished goods in store 3 months.
4. Credit for materials 2 months
5. Credit allowed to customers 3 months
6. Cash Balance Rs. 40,000
7. Labor & overheads are 1 month outstanding.

4 & (15) 4.A] Zenith Ltd. financial information for the year ended 31st March, 2013. (08)

Sales	10,50,000
Variable Cost	7,67,500
Fixed Cost	75,000
Interest	1,10,000
Tax (30%)	

Calculate operating, financial & combined leverage.

B] Calculate combine leverage from following information. (07)

Particulars	P	Q
Sales	7,50,000	8,50,000
Variable cost	6,00,000	6,37,500
Fixed cost	50,000	50,000
Interest	50,000	1,00,000

OR

One-UP Ltd has equity share capital of Rs. 5, 00,000 divided into shares of Rs. 100 each. It wishes to raise further Rs. 3, 00,000 for expansion scheme.

The company plans following alternative:-

- a. By issuing equity shares only.
- b. Rs.1, 00,000 by issuing equity shares & Rs. 2, 00,000 through debentures @10%. P.a.

c. By raising term loan at 10% p.a.

d. Rs. 1, 00,000 by issuing equity shares & Rs. 2,00,000 by issuing 8% preference shares.

You are required to suggest the best alternative assuring that the EBIT after expansion is Rs. 1,50,000 & corporate tax is 35%

(15)

Q.5.A] What are the factor affecting the working capital requirement?

(08)

B] Function of management accountant.

(07)

OR

Q.5.B] Write short note.(Any 3)

(15)

a. Balance Sheet Ratio

b. Objective of management Accounting

c. Difference in Cash Flow & Fund flow statement

d. Revenue Statement Ratio

e. Difference in Operating leverage & Financial leverage

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