

Q1. A) State whether the following statements are True or False. (Any 8)

(8)

1. Management accounting is future oriented.
2. P&L A/c shows the financial position of an organisation.
3. Patents and copyrights are intangible assets.
4. Capital employed is equal to working capital.
5. Comparative statement includes comparative income statements and balance sheets.
6. Common size statement is a horizontal analysis.
7. Current ratio is also known as working capital ratio.
8. All current liabilities are quick liabilities.
9. Working capital is excess of current assets over current liabilities.
10. A business organisation need not have working capital.

Q1. B) Match the following (Any 7)

(7)

Group A	Group B
1. Goodwill	a. Intangible fixed assets
2. Equity share capital	b. Fictitious assets
3. Overall profitability	c. Current assets – stock
4. Debt equity ratio	d. Common size statement
5. Gross working capital	e. Net worth
6. Vertical analysis	f. Return on capital employed
7. Collection from debtors	g. Long term debt + equity
8. Net profit ratio	h. Total current assets
9. Liquid assets	i. Debtors account
10. Calls in advance	j. NP / Net sales

Q2. From the following information prepare the common size statement for year ended 31st March 2016.

All the following percentage are on net sales of Rs. 5,00,000.

(15)

Opening stock – 2%. Closing stock – 3%. Purchases – 52%. Office expenses – 4.75%. administrative expenses – 5.75%. distribution expenses – 6%. Selling expenses – 4%. Interest paid – 1.50%. Indirect wages – 1.50%. Direct wages – 2%. Provision for income tax is to be made @25% on net profit before tax.

OR

Q2. Complete the following common size statement.

(15)

Particulars	Rs.	%
Gross sales	990000	?
Less: sales return	?	10
Net sales	?	?
Less: cost of sales	?	40
Gross profit	?	?
Less: operating expenses		
a) Administrative expenses	?	?
b) Finance expenses	?	2
c) Selling expenses	72000	?
Operating profit	?	?
Add: non operating income	45000	?
Less: non operating expenses	?	15
Net profit before tax	?	30

Q3. Following is the revenue statement of M/s Sushil Ltd.
Trading and P&L A/c for year ended 31st March 2017

Particulars	Rs.	Particulars	Rs.
To opening stock	54,300	By sales	5,40,000
To purchases	3,27,150	By closing stock	84,000
To carriage inward	8,550	By interest received	5,400
To office expenses	90,000		
To sales expenses	27,000		
To loss on sale of fixed assets	2,400		
To net profit c/d	1,20,000		
	6,29,400		6,29,400

Calculate the following:

- 1) Selling expenses ratio
- 2) Stock turnover ratio
- 3) Operating ratio
- 4) Net profit before tax ratio
- 5) Gross profit ratio (give your comment on gross profit ratio)

(15)

OR

Q3. Debtors velocity : 3 months. Stock velocity : 8 times. Gross profit ratio : 25%. Gross profit for the year is Rs. 1,60,000. There are no long-term loans or overdraft. Reserve and surplus amounted to Rs. 56,000 and liquid assets are Rs. 2,00,000. Closing stock is Rs. 4,000 more than operating stock. Bills receivable is Rs. 10,000 and Bills payable is Rs. 4,000.
Calculate: a) sales. b) sundry debtors. c) closing stock d) bank balance.

(15)

Q4. Calculate cash flow from operating activity from the following:

Particulars	As on 1.4. 2012	As on 1.4. 2013
Profit & Loss A/c	60,000	70,000
General Reserve	20,000	30,000
Provision for depreciation on plant	60,000	70,000
Expenses payable	10,000	6,000
Goodwill	40,000	20,000
Debtors	80,000	70,000

An item of plant costing Rs. 40,000 having book value Rs. 28,000 was sold for Rs. 36,000 during the year.

(15)

OR

Q4. From the following figures, prepare an estimate of the working capital.

Production	: 30,000 units
Selling price	: Rs. 10 per unit
Raw material	: 60% of selling price
Direct wages	: 1/6 th of raw materials
Overheads	: twice the direct wages
Material in hand	: 2 months requirement
Production time	: 1 month

Finish goods in store : 3 months
Credit for materials : 2 months
Credit allowance to customers : 3 months
Average cash balance : Rs. 40,000

Wages and overheads are paid in beginning of next month. In production all the material are charged in the initial stage and wages ad overheads accrue evenly. (15)

Q5. A) Explain the concept of operating cycle with the help of diagram and examples. (8)

Q5. B) Explain the concept of Controller and Treasurer. (7)

OR

Q5. Write short notes. (Any 3) (15)

1. Current ratio & Quick ratio
2. Cash from investing activities
3. Trend analysis
4. Stock turnover ratio
5. Types of working capital

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