

Q.1 (A) Multiple Choice Questions (Any 8).

(8)

1. Cash and Bank is an element of _____.
a. Current Asset b. Current Liability c. Debt d. CRR
2. Standard Current Ratio is considered as _____.
a. 2:1 b. 1:1 c. 5:1 d. 3:2
3. In Cash Flow Statement, reduction in debtors balance is _____.
a. Inflow b. Outflow c. No effect on cashflow d. Negative effect on cashflow
4. Seasonal working capital is _____.
a. Permanently required b. Current Liabilities more than Current Assets
c. Fluctuating in nature d. Current Assets more than Current Liabilities
5. Depreciation is _____.
a. Non cash expenditure b. Non cash income
c. Current liabilities d. None of these.
6. Quick Assets are equal to _____.
a. Current Assets b. Current Assets less Stock c. Stock d. Own fund
7. Long Term Loan taken are shown in vertical financial statements as _____.
a. Current Liabilities b. Loan Funds c. Investments d. Current Asset
8. _____ are long term sources of funds.
a. Bank Overdraft b. Creditors c. Term Loans d. Outstanding
9. Inventories are also termed as _____.
a. Current Assets b. Fixed Assets c. Stock d. Shares
10. Outstanding expenses are part of _____.
a. Current Assets b. Fixed Assets c. Current Liabilities d. Stock

Q.1. (B) State the following as True or False (Any 7).

(7)

1. Bills Payable is shown under Quick Liabilities.
2. Vertical Analysis is also termed as Static Analysis.
3. Interest coverage ratio indicates firm's ability to meet the interest.
4. In Cash flow statement, cash flows from three different activities are reported
5. Adequate working capital ensures credit standing of the firm
6. Contingent Liabilities do appear in the Balance Sheet.
7. Bank Overdraft is an item of Long term borrowed funds.
8. Quick Ratio of 2:1 is considered as standard.
9. In cash flow statement, depreciation is deducted from Net Profit for calculating cash from operations.
10. Gross Working Capital = Current Assets – Current Liabilities.

Q.2. (A) Following is the summarized Balance Sheet and Revenue statement of Krish Ltd for the year ended 31st March, 2021. (15)

Liabilities	Amount Rs.	Assets	Amount Rs.
Share capital	16,00,000	Fixed Assets	15,00,000
Reserve and surplus	4,00,000	Current Assets	20,00,000
10% Debentures	5,00,000		
Current Liabilities	10,00,000		
	35,00,000		35,00,000

Revenue statement for the year ended 31st March, 2021:

Sales	40,00,000
Less: Cost of Sales	22,00,000
	18,00,000
Operating Expenses	12,00,000
Net Profit Before Tax	6,00,000
Tax	3,00,000
Profit After Tax	3,00,000
Dividend	1,60,000
Retained Earning	1,40,000

You are required to calculate the following ratios and comment on:

- (a) Current Ratio (b) Proprietary Ratio
(c) Capital Gearing Ratio (d) Gross Profit Ratio
(e) Operating Ratio (f) Net Profit Ratio

OR

Q. 2. (B) Following is the Balance Sheet of Pari Ltd. (15)

Liabilities	Rs.	Assets	Rs.
Share Capital	7,50,000	Goodwill	1,25,000
Capital reserve	1,500	Land	1,29,000
General reserve	1,20,410	Premises	1,50,000
Capital reserve	42,500	Plant	2,34,395
Profit & Loss A/c	18,777	Furniture	8,575
10% Debentures	1,57,500	Investment	71,400
Sundry creditors	73,900	Stock	1,96,770
Bill Payable	75,000	Debtors	4,07,884
Provision for taxation	25,000	Cash	1,20,280
		Advance tax	23,675
		Preliminary expenses	1,550
	12,64,587		12,64,587

You are required to prepare Common Size Balance Sheet (in Vertical Form)

VCD _____ SYBFM SEM III SUB : Management Accounting 2 ½ Hrs. 75 Marks

Q.3. (A) The Board of Directors of Dhriya Ltd require you to prepare a statement showing the working capital requirements forecast for a level of activity of 60,000 units of production per annum. The following information is available for your calculation. **(15)**

Particulars	(Rs. per unit)
Raw Materials	30
Direct Labour	15
Overheads	20
	60
Profit	20
Selling Price Per Unit	85

- Raw Materials are in stock on an average for one month.
- Materials are in process, on an average for two months.
- Finished goods are in stock, on average one month.
- Credit allowed by suppliers – one month.
- Debtors get two months credit.
- Time lag in payment of wages – 1 ½ months.
- Lag in payment of overheads – one month.

20% of the output is sold against cash. Cash in hand and at Bank is expected to be Rs. 1,20,000. It is being assumed that production is carried on evenly throughout the year. Wages and overheads accrue evenly.

OR

Q.3. (B) The summarised balance sheet of Shanaya Ltd for the years ended 31st March, 2020 and 31st March, 2021 were as follows. **(15)**

Liabilities	As on 31.3.20	As on 31.3.19	Assets	As on 31.3.20	As on 31.3.19
Share Capital	15,000	15,000	Land & Buildings	6,000	5,400
General Reserve	6,600	60,000	Machinery	8,280	6,300
Profit & Loss	960	1,200	Other Fixed	1,350	900
A/c			Assets		
Bank Loan	3,000	-	Investment	1,500	1,500
(Team Loan)			Stock	5,700	6,000
Creditors	5,160	4,740	Debtors	5,850	5,100
Provision for	900	1,350	Bank	2,940	3,090
Taxation					
	31,620	28,290		31,620	28,290

The following additional information is given to you:

- Dividend amount of Rs. 900 was paid during the year.
- Provision for tax made during the year was Rs. 360.
- Machinery with a book value of Rs. 450 was sold at a loss of Rs. 90.
- Investments costing Rs. 300 was sold for Rs. 360.
- Depreciation provided

Land and Building Rs. 150
Plant and Machinery Rs. 600

1 prepare a Cash flow statement.

Q.4. (A) Rearrange the Balance Sheet in Vertical Form and calculate the trend percentage taking 2020 figures as 100 and briefly comment on the same. (15)

Balance Sheet as on 31st December

Liabilities	2020	2021	2022	Assets	2020	2021	2022
Share Capital	6,00,000	6,00,000	8,00,000	Building	5,00,000	6,00,000	5,50,000
Reserve	5,00,000	4,50,00	2,00,000	Goodwill	5,00,000	4,50,000	4,00,000
Surplus	1,30,000	3,20,00	3,10,000	Machinery	2,00,000	4,00,000	4,30,000
Debentures	1,00,000	2,00,000	2,00,000	Stock	50,000	1,50,000	2,50,000
Secured Loans	1,20,000	80,000	1,00,000	Debtors	2,00,000	1,40,000	1,50,000
Creditors	60,000	80,000	1,00,000	Cash	50,000	10,000	20,000
Bank Overdraft	10,000	20,000	80,000	Preliminary	30,000	20,000	10,000
Other Liabilities	10,000	20,000	20,000	expenses			
	15,30,000	17,70,000	18,10,000		15,30,000	17,70,000	18,10,000

OR

Q.4. (B) From the following Profit & Loss A/c of Radhe Ltd for the years 2020 and 2021, you are required to prepare comparative statements and comment on the performance of company. (15)

	2018	2019		2018	2019
To Opening Stock	80,000	1,20,000	By sales	6,00,000	10,00,000
To Purchases	3,00,000	8,00,000	By closing Stock	1,20,000	3,00,000
To Wages	1,00,000	1,60,000			
To Factory Exp.	80,000	1,00,000			
To Gross Profit c/d	1,60,00	1,20,000			
	7,20,000	13,00,000		7,20,000	13,00,000
To Salaries	10,000	12,000	By Gross profit	1,60,000	1,20,000
To Rent & Rates	8,000	10,000	By dividend received	5000	500
To Carriage Outward	12,000	10,000			
To Delivery Expenses	6,000	3,000			
To Advertisement	15,000	10,000			
To Interest on Loan	1,000	3,000			
To Loss on Sale of Asset	13,000	10,000			
To Provision for Taxation	38,000	28,000			
To Net Profit	57,500	35,500			
	1,60,500	1,20,500		1,60,500	1,20,500

Q. 5. A] Advantages of Vertical form of presenting Financial Statement.

(8)

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Q. 5. B] Distinguish between Own Funds and Owed Funds.

(7)

OR

Q. 5. C] Write Short note on (Any 3).

(15)

1. Non Cash Expenses
2. Types of Working Capital
3. Importance of Cash Flow Statement
4. Functions of Management Accountant
5. Objectives of Management Accounting

-----All The Best-----

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