

Sem-IIIrd

Each questions carries equal marks & all questions are compulsory

Q1 (a) Explain any 5 (1 marks each)

(5)

a) Gross Working capital

b) absorption costing

c) Trend percentages

d) Margin of Safety

d) EPS

e) Variable Cost

(b) From the following prepare comparative Income Statement (10)

	31-3-2008(rs)	31-3-2009(rs)
Sales	10,00,000	8,00,000
Cost of goods Sold	6,00,000	4,00,000
Adm. Selling & Distribution Expenses	2,00,000	1,40,000
Other Incomes	40,000	20,000
Income Tax	1,20,000	1,40,000

Or

From the following prepare Comparative balance Sheet. (10)

	31 <sup>st</sup> mar 2008	31st Mar 2009
Liabilities		
Equity share Capital	4,00,000	6,00,000
Debentures	2,00,000	3,25,000
Sundry Creditors	2,55,000	1,17,000
Bank O/D	7,000	10,000
total	8,62,000	10,52,000
Assets		
Plant & machinery	1,00,000	2,00,000
Land & Building	3,60,000	5,40,000
Investments	2,70,000	1,70,000
Sundry Debtors	1,00,000	88,000
Cash in hand	32,000	54,000
Total	8,62,000	10,52,000

The summarized Balance Sheet of XYZ Ltd. for the year ended 21-3-2009 is given below.

(rs in lakhs)

Liabilities	Amt(rs.)	Assets	Amt.(rs.)
Equity share Capital	140	Fixed Assets(at cost) 210	
Reserve & Surplus	45	Less dep. 25	185
Profit & Loss a/c	20	Current assets:	
Provision for tax	10	Stock-25	
creditors	40	Debtors-30	70
	255	Cash-15	255

The following further particulars are given below:

(in lakhs of rs.)

Sales 120

Earning Before tax(EBIT) 30

Net Profit After Tax 20

Calculate the following:

a) current Ratio

b) Returns on capital Employed

c) Debtors Turnover Ratio

d) Returns on Equity

e) Stock Turnover Ratio

b) From the following Trading , Profit & Loss account of X Ltd. For the year ended 31<sup>st</sup> March, 2005 & Balance Sheet as on the date:

Trading &amp; Profit &amp; loss A/c

	rs		rs
To Opening Stock	15,500	By Sales	75,000
To Purchases	61,000	By Closing Stock	16,500
To Gross Profit	15,000		
total	91,500	total	91,500
By Admin Expenses	5,000	By Gross Profit	15,000
By Selling & Dis. Exp	2,000		
By Intrest	1,000		
By Net profit	7,000		
	15,000		15,000

Liabilities	Rs	Assets	rs
1200 Equity Shares of rs50 each	60,000	Fixed Assets	55,000
10% Debentures	10,000	Debtors	10,000
Reserve & Surplus- 5,000	12,000	Bills Receivable	8,000
Add: Profit-7,000			
-----			
Bank O/D	3,500	Stock	16,500
Creditors	16,000	Cash	12,000
	1,01,500		1,01,500

Calculate the following:

- a) Stock turnover ratio      b) Creditors Turnover Ratio      c) Return of Capital Employed  
d) current Ratio      e) Price Earning Ratio (current market price of equity share is rs.125/share)

Q3. Attempt any one (15)

Prepare cash Flow statement from the following:

Liabilities	2007 Rs	2008 rs	Assets	2007 rs	2008 rs
Share Capital	2,00,000	2,50,000	Goodwill	10,000	2,000
12% Debentures	1,00,000	80,000	Land & building	2,00,000	2,80,000
General Reserve	50,000	70,000	Machinery	1,00,000	1,30,000
Creditors	40,000	60,000	Debtors	40,000	60,000
B/P	20,000	1,00,000	Stock	70,000	90,000
Outstanding Exp.	25,000	20,000	Cash	15,000	18,000
	4,35,000	5,80,000		4,35,000	5,80,000

Or

Mahindra C. Ltd. is working at 50% capacity & produces 10,000 units. At 60% working, raw material cost increases by 2% & selling price falls by 2%. At 80% working, raw material cost increases by 5% & selling price falls by 5%.

At 50% capacity working, product costs rs180 per unit & is sold at rs.200 per unit. The unit cost is rs.180 is made up of following:

Material-rs100      wages-rs.30      factory oh-rs30(40% fixed)

Admin oh.-rs20(50% fixed)

Prepare marginal cost statement showing the estimated profit of the business when it is operated at 60% & 80% capacity.

Q4. Attempt any one (10 marks)

(a) Prepare working Capital Estimate from the following

The cost sheet of PQR Ltd. is below:

	Cost per Unit(rs)
Raw material	50
Direct labour	20
Overhead(including dep of rs.10)	40
Total cost	110
Profit	20
Selling price	130

Average raw material in stock is for one month. Average material in WIP is for half month. Credit allowed by suppliers is one month. Debtors are allowed credit of one month. Average time lag in payment of wages is 10 days. Average time lag in payment of overheads is 30 days 25% of the sales are on cash basis. Cash balance is expected rs.1, 00,000. Finished goods lay in warehouse for one month.

Level of activity is 54,000 units of output in a year. Prepare working capital estimate.

Or

(a) The management of Gemini Enterprise has called for WORKING CAPITAL ESTIMATE to finance a level of activity of 1,80,000 units of output for the year. cost str. is below:

	Cost per unit(rs)
Raw Material	20
Direct labor	5
Overheads(including dep. Rs5 per unit)	15
Total cost	40
Profit	10
Selling Price	50

Additional Information:

- cash balance-20,000.
  - Raw Material in stock-2 months
  - WIP(50% complete)-1/2 a month
  - Finished Goods-1 month
  - Supplier of Raw Material has extended -1 month credit & Debtors-2 months credit(given)
  - cash sales 25%.f) Time lag in payment of wages-1 month & Time lag in overheads-1/2 a month
- Prepare a working capital estimate.

(b) Attempt any one from the following (5)

(a) operating cycle

(b) Explain liquidity ratios (any two)

[munotes.in](http://munotes.in)