

Q.1. (A) Fill in the blanks with appropriate answers (Any 8).

(8)

1. In Balance Sheet, securities premium should be shown under _____ in the balance sheet of a company.

- a. Share Capital b. Reserves and Surplus c. Current liabilities d. Fixed assets.

2. _____ is not a Quick liability.

- a. Unclaimed Dividends b. Public Deposits c. Bank Overdraft d. Advance Income.

3. Bonus shares are also termed as _____.

- a. Cash Dividend b. Stock Dividend c. Interim Dividend d. Final Dividend.

4. _____ produces information for managers within an Organization.

- a. Financial Accounting b. Management Accounting c. Financial Auditing d. Cost Auditing

5. Current Ratio serves as an index of _____ solvency.

- a. long-term b. short-term c. immediate d. permanent.

6. Increase in the current assets would _____ the working capital.

- a. Increase b. Decrease c. Constant d. not change.

7. Payment of fixed dividend is known as _____.

- a. Constant Payout b. Fluctuating Dividend c. Cash Dividend d. Stock Dividend.

8. Management Accounting is _____ oriented.

- a. Present b. Past c. Future. d. Temporary

9. Part of Income distributed to shareholders is known as _____.

- a. Dividend b. Profit c. Loss d. Retained Earnings.

10. In Common Size Income Statement the basis is _____.

- a. Total cost b. Net profit c. Gross profit d. Sales

Q.1. (B). State whether the following statements are True or False. (Any 7).

(7)

1. Operational information is used by lower level management.
2. Companies must prepare their financial statements in vertical format only.
3. Ratio is the proportion between two numbers.
4. Investors are risk averse.
5. Current ratio includes stock and prepaid expenses.
6. Dividend is paid in kind.
7. Owners fund and owed fund are the same.
8. Management Accounting is known as Corporate Accounting.
9. Stock is a liquid asset.
10. Seasonal working capital remains constant.

Q.2. (A) Given below is the Balance Sheet of JOY-Ltd. Balance Sheet as on 31st March 2014. (15)

Liabilities	Rs.	Assets	Rs.
Share Capital	3,75,000	Goodwill	62,500
Capital Reserve	4,000	Land	1,14,500
General Reserve	60,205	Premises	1,25,000
Debenture Redemption Fund	84,000	Plant	93,758
P&LA/C	37,554	Furniture	16,650
5% Debentres	1,57,500	Investment	76,400
Sundry Creditors	36,950	Stock	1,17,815
Proposed Dividend	18,750	Debtors	1,01,971
Provision for Taxation	10,000	Cash and Bank	60,140
		Advance Tax	13,675
		Preliminary Expenses	1,550
Total	7,83,959		7,83,959

Rearrange the above Balance Sheet in vertical form.

OR

Q.2. (B) You are given the following information of MTT Ltd. Prepare Vertical Statement. (15)
Trial Balance As on 31/03/2014.

Particulars	Debit(Rs)	Credit(Rs)
Land and Building	76,50,000	
Machinery	24,00,000	
Furniture	9,00,000	
Debtors	15,00,000	
Cash and Bank balance	3,00,000	
Creditors		9,00,000
Outstanding expenses		60,000
Sales		90,00,000
Purchases	45,00,000	
Opening Stock	9,00,000	
Administrative expenses	11,10,000	
General Reserve		22,32,000
Selling expenses	3,30,000	
Share Capital		60,00,000
Unsecured loan		13,98,000
Total	1,95,90,000	1,95,90,000

Additional Information: Closing Stock as on 31/03/2014 was Rs. 12,00,000

Q.3. (A) From the following Balance Sheet calculate Balance-Sheet ratios.

(15)

Balance Sheet as on 31st March, 2016

Liabilities	Rs.	Assets	Rs.
Equity Share Capital	10,00,000	Building	8,00,000
Preference Share Capital	4,00,000	Plant and Machinery	10,00,000
Profit and Loss Account	5,00,000	Stock	10,00,000
Mortgage Loan	10,00,000	Debtors (L. Y. 80,000)	6,00,000
Creditors	6,00,000	Short Term Investments	2,00,000
Taxes Payable	5,00,000	Cash and Bank balances	5,00,000
Proposed equity dividend	1,00,000		
	41,00,000		41,00,000

OR

Q.3. (B) Calculate the Market price of share as per Walter Model and Gordon Model.

(15)

Retention Ratio	50%
Internal Rate of Return	20%
Cost of Capital	16%
Dividend per share	Rs.9
Earning Per share	Rs.12

Q.4. (A) The following are the particulars of Ajay & Company for the year 2016-17. Calculate the working capital estimate for a sale of 1500 units per Weeks.

(15)

1. Cost Sheet

Particulars	Rs(per unit)
Raw Material	20
Wages	10
Overheads	15
Profit	15

2. Production and Sales take place evenly throughout the year.
3. Raw Material is purchased on eight weeks credit.
4. Raw Material remains in stock for eight weeks.
5. Processing period is of two weeks, wherein raw material, wages and overheads accrue evenly.
6. Finished Goods remain in stock for ten weeks.
7. Customers are given nine weeks' credit.
8. Time lag in payment of wages is four weeks.
9. Time lag in payment of overheads is two weeks.
10. Cash and Bank Balance is maintained at Rs. 1,05,000.
11. Calculate Debtors on sales.

OR

Q.4. (B) The following particulars appear in the balance sheet of Shrinivasan Limited (15)

Balance sheet as on 31st March 2021

Liabilities	Rs.	Assets	Rs.
Share Capital		Sundry Assets	1,26,00,000
Authorised:			
2,00,000 shares of Rs. 100 each	2,00,00,000		
Issued and Paid Up:			
1,00,000 shares of Rs. 100 each Rs. 80 paid up	80,00,000		
Reserves and Surplus:			
Securities Premium 2,00,000			
Capital Redemption Reserve 4,00,000			
General Reserve 40,00,000	46,00,000		
	1,26,00,000		1,26,00,000

The company declared bonus:

- (1) Convert the partly paid shares as fully paid up shares and
- (2) Issue of 10,000 fully paid up shares of Rs. 100 each to the existing shareholders. For this purpose, general reserve should be utilized to the minimum extent.

Pass necessary Journal Entries and Prepare Revised Balance-sheet as on 31st March 2021

Q. 5. (A) Explain in brief various tools of Management Accounting. (8)

(B) Explain various factors influencing Dividend Policy. (7)

OR

Q. 5. (C) Write a short note on (Any 3). (15)

1. Classification of Accounting Ratios.
2. Advantages of vertical form of presenting financial statement.
3. Functions of controller and treasurer.
4. Theories of dividend policies.
5. Elements of working capital.

----- Best of Luck -----