

Q. P. Code: 23256**Total Time: 2 Hrs 30 min****Total Marks: 75****N.B. (1) All Questions are compulsory subjected to internal options****(2) Figures to the right indicate full marks****(3) Use of simple calculator is allowed.**

Q.1.a: Fill in the blanks: (Any 08)

(08 marks)

1. Standard Liquid Ratio = _____

a. 1:1 b. 2:1 c. 3:2

2. _____ is current liability

a. Outstanding Expenses b. Stock c. Debentures

3. _____ is used to judge the solvency of the firms

a. Liquid ratio b. Stock Turnover Ratio c. Stock Working Capital Ratio

4. Buying and Selling of Machinery is _____

a. Operating activity b. financing Activity c. Investing Activity

5. Standard Current Ratio is _____

a. 2:1 b. 1:1 c. 1:2

6. Sales less COGS = _____

a. Gross Profit b. Net Profit c. Retained Earning

7. Current Assets less current Liabilities = _____

a. Working Capital b. Investment c. Miscellaneous Expenditure

8. In cash flow statement depreciation is _____

a. Deducted from Book Profits b. Multiplied by book Profits c. Added to Book Profits

9. Inventory Turnover = _____ / Average Stock

a. Cost of Goods Sold b. Gross Profit c. Purchase return

10. _____ is Owner fund

a. Share Capital b. Debentures c. Loan

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Q.1.B: state wheather given statement is True or False (Any 07)

(07 marks)

1. Sale of Building is Investing activities _____
2. AS-3 Governed the preparation of Cash Flow statement _____
3. The schedule VI of the companies act 2013, provides that the accounts can be presented in the prescribed format. _____
4. Non-Current Investments are classified as trade investments and other investments. _____
5. Fixed deposit is unsecured loan. _____
6. Current ratio = Current Assets / Quick assets. _____
7. Purchase of furniture is operating activities. _____
8. Liquidity ratios is not a part of financial ratios. _____
9. Earning per share is composite ratio. _____
10. Dividend paid is financing Activity _____

Q.2: From the following particulars relating to A ltd. Prepare Comparative Income Statement:

(15 marks)

Particulars	2015 (Rs.)	2016(Rs.)
Sales	58000	65200
Cost of Goods Sold	47600	49200
Administrative Expenses	1016	1000
Selling expenses	1840	1920
Non-operating Expenses	140	155
Non-Operating Income	96	644
Sales returns	2000	1200
Tax Rate	43.75%	43.75%

OR

Q.2: From the following data calculate the trend percentages:

(15 marks)

Particulars	2014	2015	2016
Sales	600000	800000	1000000
Cost of Goods sold	300000	500000	600000
Selling Expenses	100000	150000	200000
Aministrative expenses	50000	60000	80000
Non-Opearting Expenses	30000	40000	20000

Q. P. Code: 23256Q.3: The condensed Balance Sheet of ABN Ltd as on 30th September 2017 is as follows:

(15 marks)

Liabilities	Rs.	Assets	Rs.
Equity Share Capital	60000	Fixed Assets	90000
Reserves	20000	Inventory	30000
6 percent debentures	50000	Marketable Investment	10000
Current Liabilities	30000	Debtors	15000
		Cash and Bank Balances	10000
		Preliminary Expenses	5000
Total	160000	Total	160000

The profit for the year was Rs.7500

Convert the above balance sheet into vertical format and indicate the soundness of the financial position of the company by calculating the following ratios with comments on the same:

- a. Current Ratios b. liquid ratio c. Proprietary Ratio d. Return on Capital Employed
- e. Return on Proprietors Fund f. Return on Equity capital g. Debt Service Ratio

OR

Q.3: The Summarized final Accounts of two companies are as follows:

(15 marks)

Balance Sheet as on 31st March 2017

Liabilities	X Ltd. Rs	Y Ltd Rs.	Assets	X Ltd. Rs	Y Ltd Rs.
Share Capital	88000	88000	Fixed Assets	121000	96800
Reserves	42900	35200	Current Assets	125400	103400
8% Debentures	22000	22000			
Current Liabilities	93500	55000			
Total	246400	200200		246400	200200

Revenue statement for the year ended 31st March 2017

Particulars	X Ltd Rs.	Y Ltd Rs.
Sales	330000	264000
Cost of Sales	237600	198000
Gross Profit	92400	66000
Operating Expenses	63800	44000
Operating Profit Before tax	28600	22000
Tax	12100	9240
Net Profit After tax	16500	12760
Dividend	8800	6600
Retained Earnings	7700	6160

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From the above calculate following ratios and comment in one sentences the which company is in better position:

- Proprietary Ratio
- Capital Gearing Ratio
- Gross Profit Ratio
- Operating Ratio
- Return on Proprietors equity
- Net Profit Ratio
- Debt Equity ratio

Q.4: AB Ltd furnishes the following details and request you to ascertain the estimated requirements of working capital: (15 marks)

The sales are estimated at Rs.3380000 from sales of 65000 units

The cost structure is as follows:

Particulars	Cost Per Unit(Rs.)
Material	18
Wages	12
Overheads	12
Total	42

- Material remains in store for 7 weeks, WIP for 6 weeks and Finished Goods for 4 weeks.
- 20 percent of sales and 10 percent of purchases are on cash basis
- Out of credit sales: 50 percent is sold to wholesalers on 6 weeks credit and 50 percent to Distributors on 4 weeks credit
- Creditors offer 4 weeks credit
- Wages are paid fortnightly
- Overheads expenses are with one month time lap
- Cash balance is Rs.15000
- Reserve margin to be provided at 5 percent of net working capital.

OR

Q.4: From the following Balance Sheet as on 31st December 2015 and 31st December 2016, you are required to prepare a Cash Flow Statement: (15 marks)

Liabilities	2015 (Rs.)	2016 (Rs.)	Assets	2015 (Rs.)	2016 (Rs.)
Share Capital	100000	150000	Fixed Assets	100000	150000
Profit and loss A/C	50000	80000	Goodwill	50000	40000
General reserve	30000	40000	Inventories	50000	80000
6% Bonds	50000	60000	Debtors	50000	80000
Creditors	30000	40000	Bills receivable	10000	20000
Outstanding expenses	10000	15000	Bank	10000	15000
Total	270000	385000	Total	270000	385000

Q. P. Code: 23256**Q.5: Write Short Note on :(Any 03)****(15 marks)**

- a. Work –in –Progress
- b. Owners Fund
- c. Current Ratio
- d. Working Capital
- e. Operating Activities
