

Q.1.A) State whether following statement are True or False (Any 8) (08 marks)

- i) Stock is a liquid asset.
- ii) In common size income statement profit is considered as 100%.
- iii) Gross working capital = Current assets – Current liabilities.
- iv) Working capital is estimated for the previous financial year.
- v) The gross profit ratio is a measurement of short-term liquidity.
- vi) Sale of plant & machinery is an investing activity.
- vii) If we get more advance from customers, we need less working capital.
- viii) Permanent working capital is also known as core working capital.
- ix) Management accounting helps management to forecast and prepare plans for the future activities of business.
- x) In trend analysis 1st year figures are considered as 100% for calculating trend of figures.

Q.1.B) Fill in the blanks: (Any 7) (07 marks)

- i) Capital gearing ratio is also known as _____. (Capital structure ratio, Acid-test ratio, Net-worth ratio)
- ii) Gross working capital means _____. (Positive working capital, Total current assets, Seasonal working capital)
- iii) Fixed interest-bearing funds do not include _____. (Equity share capital, Debentures, Preference share capital)
- iv) Undistributed profits are called as _____. (Dividends, Net profit, Retained earnings)
- v) 1:1 is the standard ratio for _____. (Current ratio, quick ratio, proprietary ratio)
- vi) Return on investment is also called as _____. (Return on capital employed, return on net worth, return on fixed assets.)
- vii) Dividend received Rs.50,000 is a _____ activity. (Financing, investing, operating)
- viii) Current ratio is a _____ ratio. (Balance sheet, revenue, combined)
- ix) Gross profit ratio is a _____ ratio. (Balance sheet, revenue, combined)
- x) _____ is a non-quick current asset. (Prepaid expenses, cash balance, debtors)

Q.2.) From the information given below prepare a Balance Sheet in a vertical form suitable for analysis: (15 marks)

Particulars	Amount (₹)
Bank balance	1,00,000
Land & building	16,00,000
Stock	5,46,000
Creditors	8,12,000
Debtors	10,46,000
Bills receivable	42,000
Plant & Machinery	10,88,000
12% Debentures	5,00,000
Loan from a director	1,04,000
Equity share capital	20,00,000
Profit & Loss account	4,34,000
Investments	40,000
Proposed dividend	1,72,000
Provision for tax	5,28,000
Bills payable	36,000
General reserve	2,00,000
Cash balance	3,24,000

OR

Q.2.) Extracts from the financial accounts of Pritam Ltd. are given below: (15 marks)

Balance sheet as on 31st March, 2018

Liabilities	Amount (₹)	Assets	Amount (₹)
Equity share capital	1,00,000	Fixed assets	1,80,000
9% Preference share capital	50,000	Stock	25,000
Reserves	20,000	Debtors	55,000
8% Debentures	50,000	Bills Receivable	3,000
Creditors	45,000	Bank	2,000
	2,65,000		2,65,000

Convert the balance sheet into vertical form and calculate the following ratios:

- Current ratio
- Quick ratio
- Stock to working capital ratio
- Debt equity ratio
- Capital gearing ratio

Q.3.) Following is the Balance sheet of Pankaj Ltd as on 31st March, 2021: (15 marks)

Balance sheet as on 31st March, 2021

Liabilities	Amount (₹)	Assets	Amount (₹)
Equity share capital	3,00,000	Fixed assets	4,00,000
8% Preference share capital	2,00,000	Investments	1,50,000
General reserve	20,000	Stock	25,000
Profit & loss account	50,000	Debtors	75,000
10% Debentures	1,00,000	Bills receivable	30,000
Creditors	20,000	Cash	15,000
Bills payable	7,000	Preliminary expenses	5,000
Outstanding expenses	3,000		
	7,00,000		7,00,000

Prepare a Common-size balance sheet from the above in vertical form.

OR

Q.3.) Siddhi Manufacturing Limited presents the following information for 2019 – 2020 : (15 marks)

I. Estimated Yearly Production and Sales = 60,000 units

II. Estimated Cost Elements per unit.

a) Raw Material- 5

b) Wages - 3

c) Overheads - 2

d) Selling Price- 12

III. Further Information:

a) The company extends two months credit to the debtors.

b) The company maintains one month's stock of Raw materials.

c) The company maintains one month's stock of Finished goods.

d) The processing period is one month.

e) The company is allowed two months credit by suppliers.

f) Wages and Overheads are paid one month in arrears.

g) The cash and bank balance is expected to be equal to 25,000.

h) There is regular purchase, production and sales cycle.

i) During production process wages and overheads accrue evenly.

j) Debtors are to be calculated on cost basis.

k) 20% of the customers pay one month in advance.

Prepare statement showing an estimate of working capital.

Q.4.) Following are the summarised Balance sheets of Mayank Industries private limited as on 31st March, 2016 and March 2017. (15 marks)

Balance Sheet

Liabilities	2017	2016	Assets	2017	2016
Share capital	5,00,000	5,00,000	Premises	4,75,000	5,00,000
General reserve	1,50,000	1,25,000	Machinery	4,22,500	3,75,000
Profit & Loss A/c.	76,500	76,250	Equipment's	40,500	45,000
Term loan from ICICI	1,55,000	1,75,000	Stock	74,000	1,00,000
Sundry creditors	2,31,250	2,75,000	Sundry debtors	1,60,000	2,00,000
Provision for taxation	76,250	84,250	Cash	7,000	3,000
			Bank	10,000	-
			Goodwill	-	12,500
Total	11,89,000	12,35,000	Total	11,89,000	12,35,000

Other Information:

1. Dividend (Interim) of ₹ 25,000 was paid during the year.
2. Depreciation on Premises is provided at 5%.
3. Machinery of ₹ 75,000 was acquired during the year.
4. Income tax provision for the year was ₹ 75,000.

Prepare a Cash Flow statement.

OR

Q.4.A) Calculate Trend percentage from the following information extracted from Balance sheet of M/s. Surya Ltd after arranging in Vertical form. (08 marks)

Particulars	2017	2018	2019
Assets:			
Fixed assets	43,200	45,360	54,000
Investments	3,600	1,800	3,600
Current assets	48,600	60,408	70,380
Total Assets	95,400	1,07,568	1,27,960
Liabilities:			
Share capital	52,200	61,200	73,800
Bank loan	10,800	10,800	14,580
Current Liabilities	32,400	35,568	39,600
Total Liabilities	95,400	1,07,568	1,27,960

Q.4.B) Following are the Trading and Profit & Loss A/c of Pushkar Ltd. for the year ended 31st March, 2017 and 2018. (07 marks)

Particulars	2017	2018	Particulars	2017	2018
To opening stock	1,75,000	1,00,000	By Sales	5,50,000	6,00,000
To purchases	3,50,000	4,50,000	By closing stock	1,00,000	1,50,000
To wages	25,000	50,000			
To Gross profit c/d	1,00,000	1,50,000			
	6,50,000	7,50,000		6,50,000	7,50,000
To office expenses	50,000	62,500	By Gross Profit b/d	1,00,000	1,50,000
To selling expenses	25,000	50,000			
To finance expenses	10,000	15,000			
To Net Profit c/f	15,000	22,500			
	1,00,000	1,50,000		1,00,000	1,50,000

Prepare a Comparative Income statement from the above in vertical form.

Q.5.A) Explain Revenue statement ratio. (08 marks)

Q.5.B) Explain functions of management accountant. (07 marks)

OR

Q.5) Write short notes on: (Any 3) (15 marks)

- Cash flow from investing activity.
- Importance of management accounting
- Temporary & permanent working capital
- Limitations of ratio analysis.
- Proprietary ratio
