

Time: $2\frac{1}{2}$ hours

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****(08 marks)**

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

1. Liquid Ratio = _____

a. Quick assets/Quick Liabilities b. Assets/Liabilities c. Current Assets/Liabilities

2. _____ is current asset

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 furniture 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. Gross Profit plus COGS = _____

a. sales 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. Debtor Turnover = _____ / Average Debtor

a. Credit Sales b. Gross Profit c. Purchase return

10. _____ is Borrowed fund

a. Share Capital b. Debentures c. Investment

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(07 marks)

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

1. Sale of Building is financing 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. Current Investments are classified as trade investments and other investments. _____
5. Fixed deposit is secured loan. _____
6. Current ratio = Current Assets / Quick assets. _____
7. Purchase of equipments is operating activities. _____
8. Liquidity ratios is a part of financial ratios. _____
9. Earning per share is not a composite ratio. _____
10. Dividend paid is investing Activity _____

(15 marks)

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

Particulars	2015 (Rs.)	2016(Rs.)
Sales	500000	600000
Cost of Goods Sold	300000	200000
Administrative Expenses	10000	10000
Selling expenses	18000	1900
Non-operating Expenses	1400	1500
Non-Operating Income	9600	6000
Sales returns	20000	10000
Tax Rate	50%	50%

OR

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(15 marks)

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

Particulars	2015	2016	2017
Sales	6500000	8700000	2000000
Cost of Goods sold	3500000	5800000	1000000
Selling Expenses	1400000	1550000	700000
Aministrative expenses	550000	600000	700000
Non-Opearting Expenses	300000	400000	200000

(15 marks)

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

Liabilities	Rs.	Assets	Rs.
Equity Share Capital	600000	Fixed Assets	1000000
Reserves	200000	Inventory	300000
6 percent debentures	600000	Marketable Investment	100000
Current Liabilities	300000	Debtors	150000
		Cash and Bank Balances	100000
		Preliminary Expenses	50000
Total	1700000	Total	1700000

The profit for the year was Rs.75000

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 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

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(15 marks)

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

Balance Sheet as on 31st March 2017

Liabilities	X Ltd. Rs	Y Ltd Rs.	Assets	X Ltd. Rs	Y Ltd Rs.
Share Capital	880000	880000	Fixed Assets	1210000	968000
Reserves	429000	352000	Current Assets	1254000	1034000
8% Debentures	220000	220000			
Current Liabilities	935000	550000			
Total	2464000	2002000		2464000	2002000

Revenue statement for te year ended 31st March 2017

Particulars	X Ltd Rs.	Y Ltd Rs.
Sales	3300000	2640000
Cost of Sales	2376000	1980000
Gross Profit	924000	660000
Operating Expenses	638000	440000
Operating Profit Before tax	286000	220000
Tax	121000	92400
Net Profit After tax	165000	127600
Dividend	88000	66000
Retained Earnings	77000	61600

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

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(15 marks)

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

The sales are estimated at Rs.6000000 from sales of 30000 units

The cost structure is as follows:

Particulars	Cost Per Unit(Rs.)
Material	70
Wages	70
Overheads	50
Total	190

- Material remains in store for 5 weeks, WIP for 6 weeks and Finished Goods for 4 weeks.
- 10 percent of sales and 20 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.1500000
- Reserve margin to be provided at 5 percent of net working capital.

OR

(15 marks)

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:

Liabilities	2015 (Rs.)	2016 (Rs.)	Assets	2015 (Rs.)	2016 (Rs.)
Share Capital	1000000	1500000	Fixed Assets	1000000	1500000
Profit and loss A/C	500000	800000	Goodwill	500000	400000
General reserve	300000	400000	Inventories	500000	800000
6% Bonds	500000	600000	Debtors	500000	800000
Creditors	300000	400000	Bills receivable	100000	200000
Outstanding expenses	100000	150000	Bank	100000	150000
Total	2700000	3850000	Total	2700000	3850000

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(15 marks)

Q.5: Write Short Note on :(Any 03)

- a. Finished Goods
- b. Borrowed Fund
- c. Current Ratio
- d. Working Capital
- e. Financing Activities
