VCD 4-9-14 SYBAF- SEMIV -MANAGEMENT ACCOUNTING-60MARKS-2HRS.-220

Note: 1) Q no.1 and 2 are compulsory.
2) Write any one question from Q no.3and 4 and from Q no.5 and 6

Q1) From the following information given by M/s.POR & Co. Pvt. Ltd prepare an estimate of Working Capital for the year ended 31st March 2011. **(15)**

1. Estimated level of activity -1,04,000 units for the year.(52 weeks)
2. Cos of Raw Materials per unit Rs.5.
3. Cost of Labour per unit - 40% of Raw material.
4. Cost of Overheads per unit - 50% of the Labour cost.
5. Profit per unit is 200% of Overheads.
6. Sock of Raw Materials - 4 weeks.
7. Processing period - 4 weeks.
8. Stock of Finished Goods - 4 weeks.
9. Credit to the Debtors - 6 weeks.
10. Credit by the Creditors - 4 weeks.
11. Time lag in payment of wages - 4 weeks.
12. Time lag in payment of Overheads - 2 weeks
13. Cash and Bank Balance required - Rs. 40.000.
14. Debtors are calculated on sales basis.
15. 20% of Purchases are made against cash.
16. All the activities are spread evenly throughout the year.

Q2) (A) Multiple choice: **(05)**

1) Authorized capital is ____________.
   a) Minimum capital the company can raise.
   b) Maximum capital that company can raise.
   c) Optimum capital that company can raise.
   d) Needed capital.
2) In common size income statement the basis is _________.
   a) Total cost
   b) N.P
   c) G.P
   d) Sales
3) Performance over two years can be understood from _________.
   a) Income statement
   b) Balance sheet
   c) Comparative income statement
   d) Common size statement
4) Cash received from sale of machinery is treated as cash inflow from _________.
   a) Operating activities
   b) Financial activities
   c) Investment activities
   d) Extra-ordinary activities

5) Working capital is ________.
   a) Capital required to finance day to day operation
   b) Capital to finance fixed assets
   c) Capital issued by shareholder
   d) None of the above

(B)Match the columns: (05)

Column - A	Column - B
1. Capital Employed 2. Trend Analysis 3. Debtors Turnover 4. Outstanding Expenses 5. Collection from Debtors	a. Lag in payment of expenses b. Total debtors account c. Own + loan fund d. Debt service ability e. Earlier year as base year f. Sales = 100 g. Efficiency in collection from debtors.

(C) State whether the statement is True or False: (05)
1) Comparative income statement shows comparative performance of different years.
2) Expenses ratio is a relationship between expenses and sales.
3) Debtors may be valued at cost or selling price.
4) Cash from business operations can determined from income statement.
5) Goodwill should be shown under fictitious assets.

Q3) The Summary Balance Sheets of D Ltd. are as follow:
Balance Sheet as at 31st March.2005 and 2006. (15)

Liabilities	2005 Rs.	2006 Rs.	Assets	2005 Rs.	2006 Rs.
Equity Shares Capital	3,00,000	5,00,000	Goodwill	1,10,000	90,000
General Reserve	-	60,000	Land & Building	1,60,000	1,80,000
Profit & Loss A/c	-	58,000	Plant & Machinery	80,000	2,00,000
Debentures	2,00,000	-	Stock	84,000	1,06,000
Sundry Creditors	1,14,000	92,000	Debtors	1,80,000	1,56,000
Bills Payments	60,000	12,000	Advance Income Tax	-	40,000
Provision for Income Tax	-	50,000	Bills Receivable	16,000	24,000
Proposed Dividend	-	40,000	Prepaid Expenses	12,000	8,000
			Cash in Hand	20,000	8,000
			Profit & Loss A/c	12,000	-
	6,74,000	8,12,000		6,74,000	8,12,000

Additional Information:
1) During the year ended 31-03-2006 Depreciation of Rs.16,000 and Rs.20,000 have been charged on Land and Building and Plant and Machinery respectively.
2) An Interim Dividend of Rs.15,000 was paid during the year ended on 31-3-2006.
3) During the year machinery having book-value of Rs.16,000 was sold for Rs.14,000

Prepare Cash Flow Statement by Indirect Method for the year ended 31st March, 2006 as per AS-3.

OR

Q4) a) From the following Balance Sheet of Vaibhav Ltd. Prepare vertical comparative statement. (08)

Liabilities	31.12.2008 Rs.	31.12.2009 Rs.	Assets	31.12.2008 Rs.	31.12.2009 Rs.
Equity Share Capital	800000	800000	Plant	400000	480000
9% Preference Share Capital	600000	600000	Land and Building		
			Stocks	1200000	1080000
General Reserves	400000	490000	Debtors	400000	600000
Tax Payable	200000	300000	Cash	400000	600000
Creditors	400000	550000		200000	280000
17% Debentures	200000	300000			
	2600000	3040000		2600000	3040000

Q.4) b) From the following income statement prepare trend analysis (Rs. In Lacs) (07)

	2007 Rs.	2008 Rs.	2009 Rs.
Net Sales	700	840	980
Cost of Goods Sold	560	616	770
Gross Profit	140	224	210
Less: Operating Expenses	[illegible]	105	147
Operating Profit	[illegible]	119	63
Add: Non-operating Income	[illegible]	12	5
	66	131	68
Less : Non-operating Expenses	6	6	12
Net Profit	60	125	56

Q5) From the following information prepare vertical Balance Sheet and calculate the following ratios: (15)

a) Capital Gearing Ratio
b) Proprietory Ratios
c) Current Ratio
d) Liquid Ratio
e) Stock to Working Capital

(PTO)

Particular	Rs.	Particular	Rs.
Cash at Bank	25000	Land & Building	400000
Expenses paid in Advance	31000	Stock	136500
Creditors	203000	Debtors	261500
Bills Receivables	10500	Plant & Machinery	272000
12% Debentures	125000	Loan from Director	200000
Equity Share Capital	500000	(Repayable after three years)	
Profit & Loss A/c(Cr.)	108500		

OR

Q6) Short notes: (any 3) (15)

1) Cash flow statement
2) Current Assets
3) Types of Ratios
4) Vertical statement
5) Working capital concept

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