

Q.1

A. Select the most appropriate alternative. [Attempt any 8]

(8)

1] In cash flow statement machinery purchased is treated as

- a] Operating Activity
- b] Investing Activity
- c] Financing Activity
- d] Extra ordinary Activity

2] Standard Debt-Equity ratio is

- a] 1:1
- b] 2:1
- c] 3:5
- d] 1:2

3] In vertical statement interim dividend paid is classified as

- a] Finance Expenses
- b] Selling Expenses
- c] Appropriation of profit
- d] Non- operating Expenses.

4] Balance sheet provides statement of

- a] Financial position
- b] asset position
- c] Performance position
- d] Liabilities position

5] Proprietary ratio shows

- a] Liquidity position
- b] Short term financial position
- c] Long term financial position
- d] All of above.

6] Assets which can be converted into cash within one year are

- a] Fixed assets
- b] Current assets
- c] Fictitious assets
- d] none of the above.

7] Income earned from activities other than normal business is

- a] Operating income
- b] Net profit
- c] Non Operating income
- d] All of above.

8] Direct expenses are shown under

- a] Cost of goods sold
- b] Office expenses
- c] selling Expenses
- d] Finance Expenses.

9] Public Deposits are

- a] Unsecured loan
- b] Secured loan
- c] Investments
- d] working capital

10] Permanent working capital is also known as

- a] Core working capital
- b] Net working capital
- c] Gross working capital
- d] None of the above.

B. Match the following. (Attempt any 7)

(7)

Group A

- a] Current Ratio
- b] Stock
- c] Land
- d] Short term Investment
- e] 5% Government Securities
- f] Patents
- g] Bank overdraft
- h] Cash Flow Statement
- i] Net profit ratio
- j] Strategic information

Group B

- i] Intangible fixed Assets
- ii] Non- Quick liability
- iii] Revenue statement ratio
- iv] Fixed asset
- v] Balance sheet ratio
- vi] Non- quick asset
- vii] Top Management
- viii] Investment
- ix] AS-6
- x] Current asset
- xi] AS-3

Q.2 The following balances appears in the books of M/S Radha Ltd. As on 31st, March, 2014. You are required to prepare a balance sheet in the vertical form. [15]

Particular	Amount	Particular	Amount
Debtors	2,00,000	Creditors	1,50,000
Investments	2,50,000	Capital Reserve	1,50,000
Bank overdraft	1,00,000	Short term Investments	50,000
Public Deposits	3,00,000	Plant & Machinery	12,00,000
Bills Payable	7,90,000	Outstanding Expenses	1,20,000
General reserve	1,00,000	Cash	7,00,000
Bills Receivable	2,00,000	Profit & Loss (Credit)	4,00,000
Computer	9,00,000	Stock	5,00,000
10% Preference share capital	8,00,000	Land & Building	12,00,000
Preliminary Expenses	50,000	Equity share Capital	16,00,000
Provision for tax	1,00,000	Debentures	5,00,000
Bank Loan	3,00,000	Proposed Dividend	3,00,000
Advance Tax	3,00,000	Advance to supplier	60,000
Prepaid Expenses	1,00,000		

OR

Q.2 From the following information calculate the following ratios and write comment on current ratio and quick ratio.

- a] Current Ratio
 - b] Quick Ratio
 - c] Stock Turnover Ratio
 - d] Debt Equity Ratio
 - e] Gross profit Ratio
 - f] Net profit Ratio
 - g] Debtors Turnover ratio
- [15]

Balance sheet as on 31st March, 2014

Liabilities	Amount	Assets	Amount
Bills payable	25,000	Fixed Assets	1,25,000
Creditors	50,000	Debtors	50,000
Debentures	1,00,000	Bank	25,000
Reserves	50,000	Stock	1,25,000
Equity share Capital	50,000		
Preference share capital	50,000		
Total	3,25,000	Total	3,25,000

Profit & Loss Accounts for the year ended 31st, March, 2014

Particulars	Amount	Particulars	Amount
To Opening Stock	75,000	By Sales	5,00,000
To Purchases	1,50,000	By Closing Stock	1,25,000
To Wages	1,50,000	By Profit on Sale of asset	25,000
To Administrative Expenses	25,000		
To Selling Expenses	25,000		
To Loss by Fire	27,500		
To Interest on Debentures	5,000		
To Net Profit	1,92,500		
Total	6,50,000	Total	6,50,000

Q.3

Star Ltd. Gives you the following summary balance sheet for the year ended 31st March, 2013 & 2014. Prepare a cash flow statement for the year ended 31st March, 2014 by indirect method.

[15]

Liabilities	31.03.2013	31.03.2014	Assets	31.03.2013	31.03.2014
Equity share capital	1,20,000	1,20,000	Building	4,95,000	5,40,000
5% Preference share capital	90,000	60,000	Stock	27,000	36,300
General reserve	30,000	42,330	Debtors	40,440	38,460
Profit & Loss	15,240	28,080	Prepaid Expenses	25,880	17,000
Provision for tax	17,000	8,000	Bank Balance	15,840	3,240
Creditors	3,37,920	3,81,990	Preliminary Expenses	6,000	5,400
Total	6,10,160	6,40,400	Total	6,10,160	6,40,400

Other information

- 1] Preference shares were redeemed during the year.
- 2] Income tax paid during the year Rs. 15,000.

OR

Q.3 Prepare comparative Revenue statement in vertical form from the following details :

[15]

TVS Ltd.

Profit & Loss A/c for the year ended 31st, March.

Particulars	2014	2015	Particulars	2014	2015
To Opening stock	2,25,000	3,00,000	By Sales	45,00,000	60,00,000
To Purchases	22,50,000	32,10,000	By Closing Stock	3,00,000	3,60,000
To Interest on debentures	1,50,000	1,50,000	By Dividend Received	12,000	39,000
To Depreciation on Furniture	51,000	45,000	By Profit on sale of Asset	24,000	-
To Administrative Expenses	2,94,000	4,41,000			
To selling Expenses	4,56,000	7,53,000			
To Carriage Outwards	75,000	3,15,000			
To Loss by Fire	-	15,000			
To Wages	1,95,000	3,00,000			
To Provision For Tax	5,70,000	4,35,000			
To Net Profit	5,70,000	4,35,000			
Total	48,36,000	63,99,000	Total	48,36,000	63,99,000

(P.T.O.)

Q.4

The following particulars of Vijay Ltd. For the year 2013-2014. Calculate the working capital estimate for yearly sales of 78,000 units. [15]

1) Cost sheet

Particulars	Rs. [Per unit]
Raw Materials	40
Wages	20
Overheads	30
Selling price	30

2) Production & Sales taken place evenly throughout the year.

3) Creditors given 8 weeks credit on raw materials.

4) Raw material remains in stock for 8 weeks.

5) Processing period is of 2 weeks.

6) Finished goods remains in stock for 10 weeks.

7) Debtors are given 9 weeks credit.

8) Time lag in payment of wages is 4 weeks.

9) Time lag in payment of overheads is 2 weeks.

10) Cash & bank balance maintain ear Rs.1,05,000.

11) Calculate debtors on sales.

OR

Q.4 Calculate Trend analysis from the following information after arranging in vertical form. Balance sheet as on 31st March... [15]

Particulars	2012	2013	2014
Assets :			
Fixed Assets			
Investments	43,200	45,360	54,000
Current assets	3,600	1,800	3,600
	48,600	60,408	70,380
Liabilities	95,400	1,07,568	1,27,980
Share Capital			
Bank Loan	52,200	61,200	73,800
Current Liabilities	10,800	10,800	14,580
	32,400	35,568	39,600
	95,400	1,07,568	1,27,980

Income statement for the year ended 31st March

Particulars	2012	2013	2014
Net sales			
Less : Cost of sales	40,000	44,000	48,000
Gross Profit	30,000	36,000	36,000
Less : Operating Expenses	10,000	8,000	12,000
Operating Profit	4,000	2,000	3,600
	6,000	6,000	8,400

Q.5

- a) Define working capital . And describe the factors affects the requirements of working capital . [8]
b) Define Asset. Explain various types of assets. [7]

OR

Q.5 Write a short Note on (Any Three)

- a) Functions of Management Accounting. [15]
b) Cashflow from financing activity
c) Cash flow from investing activity
d) Difference between financial accounting and Management Accounting
e) Balance sheet ratio

--- The End ---