

**Q1. A) State whether the following statement is True or False. (Any Eight)**

**(8 Marks)**

1. Current ratio is the test of short term liquidity of a business.
2. Dividend received is cash flow from investment activity.
3. Working capital cycle is also known as operating cycle.
4. Accounting standard 3 deals with cash flow statement.
5. In common size income statement net sales is assumed as 100%.
6. Dividend payout ratio = Dividend per share / Earning per share.
7. Debt service ratio is also called interest coverage ratio.
8. Underwriting commission is classified as fictitious assets.
9. Quick Liabilities = Current Liabilities – Bank Overdraft
10. Finished goods are calculated on total cost.

**Q1. B) Match the following. (Any Seven)**

**(7 Marks)**

Column A	Column B
1. Financial Accounting	a. Subject to Audit
2. Management Accounting	b. Not subject to Audit
3. Goodwill	c. Intangible assets
4. Preliminary Expenses	d. Fictitious Assets
5. Standard current ratio	e. 2 : 1
6. Debt service ratio	f. Combine Ratio
7. Sale of fixed assets	g. Investing Activity
8. Gross working capital	h. Total current assets
9. Loss on sale of furniture	i. Non-operating item
10. Debt equity ratio	j. Balance sheet ratio

**Q2. Calculate the following ratio from given information.**

**(15 marks)**

- A) Capital Gearing Ratio.      B) Proprietary Ratio.      C) Current Ratio  
D) Liquid Ratio      E) Stock to working capital

Particulars	Rs.
Cash at bank	12500
Expenses paid in advance	15500
Creditors	101500
Bills receivable	5250
12% Debentures	62500
Equity share Capital	250000
Profit & loss A/c (Cr.)	54250
Land	200000
Stock	68250
Debtors	130750
Plant & Machinery	136000
Loan from director (repayable after 3 years)	100000

**OR**

**Q2. Calculate the trend percentage from the following information.**

**(15 marks)**

Particulars	2015 (Rs.)	2016 (%)	2017 (Rs.)
Share Capital	50000	120	70000
Reserve and Surplus	10000	150	20000
Secured loan	10000	100	10000
Current liabilities	10000	150	20000
Fixed assets	40000	110	50000
Long term Investments	10000	160	20000
Stock and Debtors	25000	120	35000
Bank Balance	5000	200	15000



Particulars	31/3/2018	31/3/2019	Difference	Percentage
<b>Sources of Fund</b>				
Equity Share Capital	?	200000	?	NIL
Preference share Capital	150000	?	(50000)	?
Reserves and Surplus	?	?	?	?
Total	530000	?	?	?
Less: Accumulated losses	?	20000	?	NIL
Shareholders Fund	?	?	(126000)	?
10% Debentures	?	?	?	?
<b>Capital Employed</b>	710000	?	?	?
<b>Application of Funds</b>				
Fixed assets	530000	?	(30000)	?
Investments	?	?	(50000)	?
Working Capital	?	?	(96000)	(120)
<b>Capital Employed</b>	?	?	?	?

OR

**Q3. Prepare common size financial statement in a form suitable for analysis. (15 marks)**

Balance sheet as on 31<sup>st</sup> march 2020

Liabilities	Rs.	Assets	Rs.
Sundry creditors	21000	Cash	13500
Outstanding expenses	39000	Debtors	55500
Loans	112500	Prepaid expenses	110000
Capital	329000	Stock	50000
Reserves	50000	Other current assets	5000
		Fixed assets	317500
	551500		551500

Income statement for the year ended 31<sup>st</sup> March 2020

Expenses	Rs.	Income	Rs.
To Cost of goods sold	355500	By Sales	634500
To Selling Expenses	180000	By Other income	6000
To Administrative Expenses	46000		
To Tax	17000		
To Loss on Sale of investment	24000		
To Net income	18000		
	640500		640500

**Q4. From the following data provided by M/s. Alpha Ltd. estimate working capital requirements for the year ended 31<sup>st</sup> March, 2017.**

- Estimated activity/operations for the year 2,60,000 units (52 weeks).
- Raw material remains in stock for 2 weeks and production cycle takes 2 weeks.
- Finished Goods remaining in stock for 2 weeks.
- 2 weeks credit is allowed by suppliers.
- 4 weeks credit is allowed to Debtors.
- Time lag in payment of wages and overheads is 2 weeks each.
- Cash & Bank Balance to be maintained Rs.25,000.
- Selling price per unit is Rs.15.



VCD \_\_\_\_\_ CLASS: SYBAF SUB: MANAGEMENT ACCOUNTING SEM: IV MARKS: 75 DURATION: 2 ½ HRS.

- (i) Analysis of cost per unit as follows: (1) Raw material 33%, % of sales. (2) Labour and overheads in the ratio of 6: 4 per unit. (3) Profit is at 5 per unit.

Assume that operations are evenly spread throughout the year; Wages and Overheads accrue similarly. Manufacturing process required feeding of material fully at the beginning. Degree of work-in-progress is 50%. Debtors are to be estimated at selling price.

OR

Q4. The balance sheet of Diya Ltd. as on 31<sup>st</sup> march 2018 and 31<sup>st</sup> March 2019

Liabilities	2018 (Rs.)	2019 (Rs.)	Assets	2018 (Rs.)	2019 (Rs.)
Equity share capital	600000	1000000	Goodwill	220000	180000
General reserve	-	120000	Land	320000	360000
Profit & Loss A/c	-	196000	Plant	160000	400000
Debentures	400000	-	Stock	168000	212000
Sundry creditors	228000	24000	Debtors	360000	312000
Bills Payable	120000	184000	Advance tax	-	80000
Provision for Tax	-	100000	Bills receivable	32000	48000
			Prepaid expenses	24000	16000
			Cash	40000	16000
			Profit & Loss	24000	-
	1348000	1624000		1348000	1624000

1. Depreciation of Rs. 32000 and Rs. 40000 has been charged on Land and Plant respectively.
2. An interim dividend of Rs. 30000 was paid.
3. During the year Plant having book value of Rs. 32000 was sold for Rs. 28000.
4. Prepare cash flow statements for the year ended 31<sup>st</sup> March 2017.

Q5. A) Define Management Accounting and write advantages of it.

(8 Marks)

Q5. B) Explain in brief working capital cycle.

(7 Marks)

OR

Q5. Write Short Notes. (Any Three)

(15 marks)

1. Capital Gearing Ratio
2. Importance of Management Accounting
3. Proprietary Ratio
4. Functions of Management Accounting.
5. Operating Cycle