

Note: All questions are compulsory.
All questions carry equal marks.
Use of simple calculator is allowed.

Q. 1. Solve any two out of three (7.5 Marks each)

15 marks

1) The following is the balance sheet of ABC Ltd. as on 31st March 2014. You are required to present it in vertical form.

Liabilities	Rs.	Assets	Rs.
Equity Share Capital	300000	Goodwill	80000
Reserves and Surplus	150000	Land and Building	150000
10% mortgage Debentures	215000	Plant and Machinery	200000
Sundry Creditors	130000	Patent Rights	21500
Bank Overdraft	40000	Stock	143500
Provision for Tax	35000	Sundry Debtors	240000
		Cash in Hand	5000
		Cash at Bank	10000
		Preliminary Expenses	20000
	870000		870000

2) Rearrange the balance sheet in a vertical form and calculate the trend percentage.

Liabilities	2011	2012	2013	Assets	2011	2012	2013
Equity Share Capital	20	22	24	Land and Building	8	8	7
12% Pref. Share	4	2	1	Plant and Machinery	28	25	22
Capital	15	18	24	Furniture and Fixtures	5	6	5
Reserve and Surplus	12	10	5	Current Assets	20	23	32
13% debentures	10	10	12				
Current Liabilities	61	62	66		61	62	66

Calculate Trend % to full integer (without decimal points – figures to be rounded)

3) Following financial statement of Jay Ltd. is given to you. Rearrange it in vertical form.

Trading and Profit & Loss A/c for the year ended 31-03-2015

Particulars	Rs.	Particulars	Rs.
To Opening Stock	45000	By Sales	400000
To Purchase less Returns	220000	By Closing Stock	95000
To wages	100000	By Non-Operating Income	12000
To Salaries	40000		
To Office Rent	17000		
To Interest	3000		
To Non-Operating Expenses	2000		
To Advertisement	6000		
To Transport on Sale	4000		
To Net Profit	70000		
	507000		507000

Q. 2. Solve any two out of three (7.5 Marks each)

15 marks

1) Explain Traditional and Functional Classification of Ratio.

2) From the following Balance Sheet calculate the following Ratio

- Current Ratio
- Quick Ratio
- Stock to working Capital Ratio
- Proprietary Ratio

Balance Sheet as at 31st March 2014

Liabilities	Rs.	Assets	Rs.
Preference Capital	50000	Building	185000
Equity capital	100000	Long Term Investment	40000
Reserve	35000	Stock	35000
10% Debentures	50000	Debtors	30000
Creditors	20000	Cash and Bank balance	10000
Outstanding Expenses	45000		
	300000		300000

3) Following is the Trading and Profit and Loss Account of Jaggu Ltd. For the year ending 31st March 2015:

Trading and Profit & Loss Account

Particulars	Rs.	Particulars	Rs.
To Opening Stock	72500	By Sales	375000
To Purchases	305000	By Closing Stock	77500
To Gross Profit	75000		
	452500		452500
To Sundry Expenses	40000	By Gross Profit B/d	75000
To Net Profit	35000		
	75000		75000

Arrange in vertical statement format and Calculate:

- Gross Profit Ratio
- Net Profit Ratio

Q. 3. Solve any two out of three (7.5 Marks each)

15 marks

- Funds Flow Statement and Cash Flow Statement are similar but not same, explain.
- Explain Cash flow from Financing Activity
- The balance Sheet of Shekhar Ltd. Is as follows:

Balance Sheet as on 31st March

Liabilities	2011 Rs.	2012 Rs.	Assets	2011 Rs.	2012 Rs.
Equity Share Capital	150000	250000	Goodwill	55000	45000
General Reserves	--	30000	Land and Building	80000	90000
Profit and Loss A/c	--	29000	Plant and Machinery	40000	100000
Debentures	100000	--	Stock	42000	53000
Sundry Creditors	57000	46000	Debtors	90000	98000
Bills Payables	30000	6000	Bills Receivables	8000	12000
Provision for Tax	--	25000	Prepaid Expenses	6000	4000
Proposed Dividend	--	20000	Cash in Hand	10000	4000
	337000	406000	Profit and Loss A/c	6000	--
				337000	406000

Additional Information

- a) During the year 2012 the depreciation of Rs. 8000 and Rs. 10000 have been charged on land and Building and Plant and Machinery respectively
 b) An interim dividend of Rs. 7500 was paid during the year 2012
 c) During the year 2012 Machinery having a book value of Rs. 8000 was sold for Rs. 7000
 Calculate cash flow from Operating Activity for the year ended 31st March 2012 as per AS-3

Q. 4. Solve any two out of three (7.5 Marks each)

15 marks

1) Explain any five factors affecting Working Capital.

2) The selling price of a product is Rs. 20/- each and its break up is:

Materials 40%, Labor 20%, other direct cost 10%

General overheads 10%, Selling and Distribution cost 10%, Profit @10%

A company produces 3,60,000 units of a product in a year and a following details for the year are given for consideration:

- Raw Material remain in stock for 3 months, and the supplies of raw material extends 2 months credit
- The work in progress is to be valued @ 50% of the total direct cost of one months production
- The customers are given three months credit
- The wages are paid after the end of the month
- 40% of the total sales are for the cash and balance on credit
- There is no opening and closing stock of finished goods
- Cash and bank balance is carried to the extent of 50% of a monthly profit on an average basis.

You are required to compute Working Capital Requirement of the business.

3) From the following information calculate:

- Break-even Point
- P/V Ratio
- Profit
- Profit at 75% capacity
- Profit at 100% capacity

- Budgeted sales Rs. 200000 (80% capacity)
- Direct Materials 30% of sales
- Direct labor 20% on sales
- Variable Overheads (factory) 10% on sales
- Variable Overheads (Administration) 15% of sales
- Fixed Cost Rs. 30000.

Q.5

15 Marks

Following are the trading and Profit and loss statement of Shah Ltd. For the year ended 31st March 2014

And a balance sheet as on that date:

Trading, Profit & Loss Account

Particulars	Rs.	Particulars	Rs.
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To Opening Stock	1550	By Sales	7500
To Purchases	6100	By Closing Stock	1650
To Gross Profit	1500		
	9150		9150
To Administrative Exp.	500	By Gross Profit	1500
To Selling & Distribution Exp.	200		
To Interest	100		
To Net Profit	700		
	1500		1500

Balance Sheet as at 31-03-14

Liabilities	Rs.	Assets	Rs.
1200 Equity share of Rs. 50 each	6000	Fixed Assets	5500
10% debentures	1000	Debtors	1000
Reserves & Surplus 500		Bills receivables	800
Add: Profit for the year <u>700</u>	1200	Stock	1650
Bank Overdraft	350	Cash	1200
Creditors	1600		
	10150		10150

Arrange the given data in vertical form (5 marks)
and

Calculate ratios: (2 marks each)

- Stock Turnover Ratio
- Creditors Turnover Ratio, take all purchases as credit purchase
- Return on Capital Employed
- Earnings per Share
- Current Ratio