

[Time:3 Hrs]**[Marks:100]**

Please check whether you have got the right question paper.

- N.B:
1. All question are compulsory.
 2. Figures to the right indicate full marks.
 3. Students answering in the regional language should refer in case of doubt to the main text of the paper in English.

Q.1 (A) Match the column : (Any Ten)

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Group A		Group B	
1.	Management accounting	a)	Fixed Rate of Interest
2.	Trend analysis	b)	Previous year as base year
3.	Bank overdraft	c)	Non quick current Asset
4.	Debentures	d)	Used for decision making
5.	Gross working capital	e)	Total Current Assets
6.	Prepaid Expenses	f)	Fictitious Assets
7.	Securities Premium	g)	Non-Quick Current Liability
8.	Payback period	h)	Quick Ratio
9.	Preliminary Expenses	i)	Reserves
10.	Test of Liquidity	j)	Working Capital
11.	Scrape value under capital budgeting techniques	k)	A technique of Capital Budgeting
12.	Current Assets Less Current Liability	l)	Added to last year's cash in flow

Q.1 (B) State whether the following statements are True or False : (Any Ten)

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1. Depreciation is a non-cash Cost Expenditure.
2. Provision for contingency is added to net current assets to get working capital requirement.
3. Analysis is a must for interpretation
4. Current ratio is also known as working capital ratio.
5. Patents & copyrights are intangible assets.
6. Publication of Management Accounting Report is not compulsory
7. Capital Budgeting decisions are every easy to take
8. Inadequate working capital increases efficiency of the management
9. Stock Turnover ratio indicates the speed of collection of debt.
10. In Commonsize income statement capital employed is considered equal to 100%
11. Calls in arrears are same as calls in advance
12. Focus of Management Accounting is only on external reporting

Q.2 From the following given below, calculate the following ratios : **20**

- Capital Gearing Ratio
- Proprietary Ratio
- Current Ratio
- Liquid ratio
- Stock to working capital

Particulars	Rs.	Particulars	Rs.
Cash at Bank	12,500	Land and Building	2,00,000
Expenses paid in Advance	15,500	Stock	68,250
Creditors	1,01,500	Debtors	1,30,750
Bills Receivable	5,250	Plant & Machinery	1,36,000
12% Debentures	62,500	Loan from Director	1,00,000
Equity Share Capital	2,50,000	(Repayable after	
Profit and Loss A/c (cr.)	54,250	three months)	

OR

Q.2 From the following figures, prepare an estimate of the working capital : **20**

Production	30,000 units
Selling Price per unit	Rs. 10
Raw Material	60% of selling price
Direct Wages	1/6 th of raw material
Overheads	Twice the Direct wages
Material in hand	2 months requirement
Production time	1 month
Finished goods in stores	3 months
Credit for material	2 months
Credit allowed to customers	3 months
Average cash balance	Rs. 40,000

Wages and overheads are paid in the beginning of next month. In production all the materials are charged in the initial stage and wages and overheads accrue evenly.

Q.3 The management of P Limited is considering selecting a machine out of two **20**
mutually exclusive machines. The company's cost of capital is 12 percent. Details of the machines are as follows :

	Machine I Rs.	Machine II Rs.
Cost of machine	10,00,000	15,00,000
Expected life	5 Years	6 Years
Annual cash flow	3,01,500	3,93,500

You are required to calculate the discounted pay-back period and net present value.

The present value factors of Rs. 1 are as follows :

Year	1	2	3	4	5	6
At 12%	0.893	0.797	0.712	0.636	0.567	0.507

OR

Q.3 From the following data provided by the M/s. Nilam Patil Ltd. Estimate working capital requirements for the year ended 31st 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.
 - Analysis of cost per unit as follows :
 - Raw material 1/3 of sales
 - Labour 20% of sales
 - Overheads Rs.2 per unit
 - Profit is at Rs. 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.

Q.4 From the following information of Mahindra Ltd. for the year ended 31st March, 2016 and 31st March, 2017, year are required to prepare comparative statement after rearranging in Vertical form suitable for analysis :

Particulars	2016 (Rs.)	2017 (Rs.)
Sales	15,20,000	22,80,000
Return Inward	20,000	30,000
Opening Stock : Raw Material	7,600	7,600
Purchases of Raw Material	3,90,000	5,85,000
Work in Progress – Opening	10,000	10,000
Work in Progress – Closing	10,000	15,000
Closing Stock – Raw Material	7,600	11,400
Power	50,400	75,600
Depreciation on Machinery	70,000	1,05,000
Repairs Factory Building	40,000	60,000
Direct Labour	2,50,500	3,75,750
Selling and Distribution Expenses	1,05,400	1,58,100
Finance Expenses (Operating)	70,000	70,000

Administrative Expenses	73,500	73,500
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OR

- Q.4 Prepare common Size Income Statement of Alpana Ltd. from the following : 20
Income statement as on 31st March, 2017

Particulars	Rs.	Rs.
Net Sales		20,00,000
Less : cost of Goods Sold		
- Opening Stock	4,00,000	
- Purchases	12,00,000	
- Wages	2,50,000	
- Factory Overheads	<u>2,50,000</u>	
-	21,00,000	
Less : Closing Stock	6,00,000	15,00,000
Gross Profit		5,00,000
Less : Operating Expenses		
a) Administrative Expenses	1,40,000	
b) Selling Expenses	50,000	
c) Finance Expenses	20,000	2,10,000
Operating Profit		2,90,000
Add : Non-Operating Income		50,000
Less : Non-Operating Expenses		20,000
Net Profit Before Tax		3,20,000

- Q.5 (A) State the functions of Management accounting 10
(B) State the types of working capital 10

OR

- Q.5 Write Short Notes : (Any Four) 20

1. Horizontal Analysis
2. Classifications of Ratios
3. Factors affecting Working capital
4. Accounting Rate of Return
5. Common size Statement
6. Trend Analysis