

**Q.P. Code: 00005301**

**[Time:2.30 Hrs]**

**[ Marks:75]**

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. Working note should form part of main answer
  4. Use of simple calculators is allowed

**Q. 1. A.** Select the most appropriate answer from the following: (any 08 out of 10)

**08**

1. The functions of management accounting include \_\_\_\_\_.  
a) Collection of data   b) Analysis of data   c) Presentation of data   d) All of the above
2. Balance Sheet is a statement of \_\_\_\_\_.  
a) Assets and Liabilities   b) Working Capital  
c) Operating Results   d) Profitability performance
3. Comparative Statement shows \_\_\_\_\_.  
a) One year's performance   b) Financial performance  
c) Comparative performance   d) Higher profitability
4. Management Accounting relates to \_\_\_\_\_.  
a) Recording of accounting data   b) Recording of costing data  
c) Presentation of accounting data   d) None of the above
5. Net profit ratio indicates \_\_\_\_\_.  
a) Status of assets and liabilities   b) Profitability  
c) Trading Efficiency   d) Liquidity
6. Payback period is the time required to \_\_\_\_\_.  
a) Recover the original investment   b) Depreciate asset  
c) Pay the creditors   d) Recovery from debtors
7. Assets which can be converted into cash within one year are \_\_\_\_\_.  
a) Fixed Assets   b) Fictitious Assets  
c) Current Assets   d) None of the above
8. Current Assets Rs 1,80,000, Current Liabilities Rs 90,000. The amount of Working Capital is \_\_\_\_\_.  
a) Rs 90,000   b) Rs 1,80,000   c) Rs 2,70,000   d) None of the above
9. In a cash flow statement, redemption of debentures is shown as \_\_\_\_\_.  
a) Cash flow from operating activities.   b) Cash flow from investing activities.  
Cash flow from financing activities.   d) None of the above.
10. In Cash flow statement, goodwill written off is \_\_\_\_\_.  
a.) added to Book Profit   b) Deducted from Book Profit  
c) Treated as Cash Inflow   d) Treated as Cash Outflow.

Q.P. Code: 00005301

**Q. 1. B.** True or False (Any 7)

07

1. Net working capital means Total Current Affairs.
2. Operating cycle = Raw Materials + Work-in-progress + Finished goods + Debtors – Creditors.
3. Liquid Ratio is used to determine the company's long term solvency.
4. Outsiders contribution is not included in Proprietor's Fund.
5. Revenue statement indicates operating performance of a company.
6. Owners fund and borrowed fund are two constituents of total funds of a company.
7. Depreciation is a non - cash business expenditure.
8. Public Deposit accepted by a company are a part of Shareholders Fund.
9. The statement of cash flows shows not only the amount of cash used during a particular time, but also how the cash was used.
10. For the purpose of statement of cash flows, "Cash" includes cash on hand, cash in the bank and cash equivalents.

**Q. 2. A.** From the following details of Sharma Ltd. Prepare Comparative Revenue Statement in vertical from suitable for analysis. 08**Sharma Ltd.**

<i>Particulars</i>	<i>Amount in ₹</i>	<i>Amount in ₹</i>	<i>Absolute Increase or Decrease in ₹</i>	<i>Percentage Increase or Decrease</i>
Net Sales	12,00,000	?	?	25
Gross Profit	4,40,000	4,70,000	?	?
Office & Administrative Expenses	78,800	?	5,000	?
Selling and Distribution Expenses	?	48,400	5,000	?
Finance Expenses	?	12,500	(-)500	?

Q.P. Code: 00005301

Q. 2. B. Complete the following Vertical Common Size Balance Sheet of Shekhar Ltd.

07

**Shekhar Ltd.****Common Size Balance Sheet as on 31<sup>st</sup> March, 2023**

<i>Particulars</i>	<i>Amount in Rs</i>	<i>%</i>
<b>Funds Employed</b>		
Share Capital	6,00,000	?
<b>Add: Reserves and Surplus</b>	1,00,000	?
Shareholder's Fund	7,00,000	?
Borrowed Fund	?	30
<b>Total Fund</b>	?	?
<b>Funds Applied</b>		
Fixed Assets	7,00,000	?
<b>Working Capital</b>		
Current Assets	4,50,000	?
Less: Current Liabilities	?	?
Working Capital	?	?
<b>Total Fund</b>	10,00,000	?

**OR**

Q. 2. C. The following is financial information of Mishra Ltd. For three years. You are required to prepare 15  
Trend Statement in vertical column form suitable for analysis.

<i>Particulars</i>	<i>31-3-21 in ₹</i>	<i>31-3-22 in ₹</i>	<i>31-3-23 in ₹</i>
Equity Share Capital	4,00,000	5,00,000	5,00,000
Preference Share Capital	2,00,000	2,20,000	2,80,000
Debtors	60,000	65,000	70,000
Creditors	40,000	45,000	50,000
Cash and Bank Balance	20,000	18,000	16,000
Bills Payable	50,000	60,000	55,000
Provision for Income Tax	20,000	20,000	20,000
Stock	40,000	60,000	80,000
Other Current Assets	50,000	40,000	40,000
Long term Investments	1,00,000	1,00,000	1,00,000
Reserves and Surplus	65,000	75,000	85,000
Debentures	2,00,000	2,00,000	3,00,000
Fixed Assets	?	?	?

**Q.P. Code: 00005301****Q. 3. A.** Following is the Revenue Statement of MA & Co Ltd., for the year ended 31<sup>st</sup> March, 2023.**15**

<i>Particulars</i>	<i>Amount (₹)</i>	<i>Particulars</i>	<i>Amount (₹)</i>
To Opening Stock	12,00,000	By Sales	60,00,000
To Purchases	33,00,000	By Closing Stock	15,00,000
To Carriage Inward	7,50,000		
To Wages	7,50,000		
To Gross Profit c/d	15,00,000		
	75,00,000		75,00,000
To Salaries	1,50,000	By Gross Profit b/d	15,00,000
To Interest	60,000	By Profit on Sale of Investments	7,500
To General Expenses	75,000	By Commission	1,05,000
To Sales Promotion Expenses	1,12,500		
To Rent	15,000		
To Discount Allowed	37,500		
To Depreciation	1,80,000		
To loss on sale of Fixed Assets	30,000		
To provision for Income Tax	2,70,000		
To Net Profit	6,82,500		
	16,12,500		16,12,500

From the above calculate:

1. Gross profit ratio
2. Office and administration expenses ratio
3. Selling and distribution expense ratio
4. Operating expense ratio
5. Operating cost ratio
6. Net profit before tax ratio
7. Stock turnover ratio

**OR**

**Q.P. Code: 00005301****Q. 3. B.** Following is the Balance Sheet of Lucky Ltd. As on 31<sup>st</sup> March, 2023.**15**

<i>Liabilities</i>	<i>In Rs</i>	<i>Assets</i>	<i>In Rs</i>
Equity share capital (Equity shares in ₹ 3 each)	3,00,000	Goodwill	40,000
5% preference Share Capital	2,00,000	Land and Building	3,60,000
Securities Premium	10,000	Plant and Machinery	88,000
General Reserve	1,20,000	Furniture	6,000
Profit and Loss Account	34,000	Marketable investments	1,60,000
11% Debentures	1,00,000	Sundry Debtors	1,40,000
Bank Loan	70,000	Inventory	1,20,000
Bank Overdraft	40,000	Prepaid Expenses	10,000
Sundry Creditors	1,20,000	Cash at bank	80,000
Provision for Taxation (Current year)	20,000	Preliminary Expenses	10,000
	10,14,000		10,14,000

Other details for the year ended 31<sup>st</sup> March 2023, are as under:

Sales Rs 13,00,000 (80% on credit)

Net profit before Tax Rs 2,00,000

Purchases Rs 6,60,000 (80% on credit)

Calculate:

1. Quick Ratio
2. Debt Equity Ratio
3. Creditors Turnover Ratio
4. Debtors Turnover Ratio
5. Return on Capital Employed Ratio
6. Net Profit After Tax Ratio
7. Debt Service Ratio

**Q. 4. A.** Turbo Ltd. Gives you following Balance Sheets for the year ended 31<sup>st</sup> March, 2022 and 2023. Prepare Cash Flows statements for the year ended 31<sup>st</sup> March, 2023.**15****Balance sheet as on**

<i>Liabilities</i>	<i>31-3-22 in Rs</i>	<i>31-3-23 in Rs</i>	<i>Assets</i>	<i>31-3-22 in Rs</i>	<i>31-3-23 in Rs</i>
Equity Capital	1,20,000	1,20,000	Land	2,10,000	2,70,000
Preference Capital	90,000	60,000	Building	2,85,000	2,70,750
General Reserve	30,000	39,000	Stock	27,000	36,300
Profit and Loss A/c	15,240	28,080	Debtors	43,560	39,480
Outstanding Expenses	9,360	11,040	Prepaid Expenses	8,880	9000
Reserve for Bad Debts	3,120	5,100	Bank	15,840	3,240
Creditors	3,28,560	3,70,950	Miscellaneous Expenses	6,000	5,400
	5,96,280	6,34,170		5,96,280	6,34,170

Other information:

1. Preference share was redeemed during the year @ 10% premium.
2. Income Tax paid during the year Rs 15,000.

Note: Use Indirect method as per AS 3 (revised).

**OR**

Q.P. Code: 00005301

**Q. 4. B.** Sapna Ltd. Presents following information for 2022-23. Estimated yearly production and 15 sales=60,000 units.

Particulars	Cost of Elements Per Unit (in ₹)
Raw Materials	5
Wages	3
Overheads	2
Selling Price	12

Further information:

1. The company extends 2 months credit to debtors.
2. The company maintains one month's stock of raw materials.
3. The company maintains one month's stock of finished goods.
4. The processing period is one month.
5. The company is allowed two months credit by the suppliers.
6. Wages and overheads are paid one month in arrears.
7. Cash Balance is expected to be Rs 25,000.
8. During the production process wages and overheads accrue evenly.
9. 20% of the customers pay one month in advance.

Prepare statement showing estimate of working capital.

**Q. 5. A.** Advantages of Ratio Analysis

08

**B.** Distinguish between Financial Accounting and Management Accounting

07

OR

**Q. 5. C.** Short Notes: (Attempt Any 3 out of 5)

15

1. Current liabilities
2. Proprietary Ratio
3. Types of Working Capital
4. Capital Employed
5. Cash Flow from Financial Activities (As per AS 3)

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