

[Time:3.00 Hrs]

[ Marks:100]

Please check whether you have got the right question paper.

- N.B:
1. Q. No.1 and 2 are compulsory. Attempt any four questions from the remaining.
  2. Question No. 1 carries 20 marks and all remaining questions carry 16 marks each.
  3. All Sub-questions carry equal marks unless specified to the contrary.
  4. Workings to form part of the solutions and necessary assumptions to be made and stated clearly

Q. 1. Sumit Ltd provided the following information to you Prepare vertical revenue statement. 20

Particulars	Rs.
Sales	10,00,500
Sales return	500
Opening stock	1,00,000
Purchases	3,11,000
Purchases return	11,000
Insurance	10,500
Depreciation on office furniture	3,000
Discount allowed	5,500
Bad debts	3,000
Delivery expenses	4,000
Loss on sale of old furniture	750
Advertisement	5,000
Discount received	15,000
Interest received	3,500
Income tax @ 40%	?
Wages	30,000
Carriage inward	40,000
Closing stock	20,000
Salaries	17,500
Office expenses	22,500

Q. 2. Following is the Trading and Profit and loss Account of Hema Ltd for the year ended 31<sup>st</sup>

March, 2023 and balance sheet on the same date. Calculate the following ratios:

- a) Gross Profit Ratio                      b) Operating Ratio                      c) Stock Turnover Ratio  
d) Net Profit Ratio                      e) Current Ratio                      f) Quick Ratio  
g) Proprietary Ratio                      h) Stock to working capital Ratio and

**Profit and loss account of for the year ended 31<sup>st</sup> March 2023**

Particulars	Rs.	Particulars	Rs.
To Opening Stock	60,000	By Sales	6,00,000
To Purchases	3,00,000	By Closing Stock	1,00,000
To Wages	12,000	By Dividend	8,000
To Administrative expenses	1,00,000		
To Selling & Distribution expenses	30,000		
To Loss on sale of Asset	6,000		
To Net Profit c/d	2,00,000		
	<b>7,08,000</b>		<b>7,08,000</b>

**Balance sheet as on 31<sup>st</sup> March 2023**

Liabilities	Rs.	Assets	Rs.
Equity share capital	2,00,000	Fixed Assets	1,50,000
6% Preference share capital	1,50,000	Long term Investment	2,00,000
Reserve and Surplus	50,000	Closing Stock	1,00,000
Bank overdraft	20,000	Debtors	1,30,000
Provision for tax	5,000	Cash and Bank balance	70,000
Secured loan	1,00,000		
Sundry creditors	1,25,000		
	<b>6,50,000</b>		<b>6,50,000</b>

Q.3. Following are the summarized balance sheets of Mehul industry private limited as on 31<sup>st</sup> March 2023 and 31 March 2024

Liabilities	2023	2024	Assets	2023	2024
Share capital	5,00,000	5,00,000	Building	5,00,000	4,75,000
General reserve	1,25,000	1,50,000	Plant and Machinery	3,75,000	4,22,500
Profit and loss account	76,250	76,500	Equipment	45,000	40,500
Term loan	1,75,000	1,55,000	Stock	1,00,000	74,000
Creditors	2,75,000	2,31,250	Debtors	2,00,000	1,60,000
Provision for tax	84,250	76,250	Cash	3,000	17,000
			Goodwill	12,500	-----
	<b>12,35,500</b>	<b>11,89,000</b>		<b>12,35,500</b>	<b>11,89,000</b>

Other information:

- 1) Dividend (interim) of Rs. 25,000 was paid during the year
- 2) Deprecation premises is provide @10%
- 3) Machinery of Rs. 75,000 was acquired during the year
- 4) Income tax provision for the year was Rs 50,000 Prepare fund flow statement.

Q.4. A company desire to purchase a Machinery. There are two Machines available Machinery P and 20

Machinery Q. The information of machines were as under:

		Machinery P	Machinery Q
Cost of Machine		Rs. 45,000	Rs. 60,000
Life of machine		3 Years	3 Years
Profit after Depreciation and Tax:		Rs.	Rs.
Year	1	40,000	30,000
	2	1,00,000	1,20,000
	3	40,000	50,000

Deprecation by SLM.

Calculate-

1. Pay back Period
2. Average rate of Return
3. Pay back Profitability

Q. 5. Akansha co. producing 96,000 units annually. Companies cost structure as follows:

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Raw material	Rs. 10 p.u.
Direct Labor	Rs. 6 p.u.
Overheads	Rs. 4 p.u.
Profit	Rs. 4 p.u.
Selling price	Rs. 24 p.u.

Additional Information:pp

- a. Raw material remains in stock for 1 month in consumption.
- b. There is no work in process.
- c. Finished goods remain 2 months in godown.
- d. Debtors are given 3 months credit period.
- e. Suppliers allowed 1 month credit period.
- f. Time lag for direct labor and overhead is 1 month.
- g. Cash and Bank balance Rs. 25,000.
- h. 20% sales are on cash basis

Prepare Working capital statement.

- Q6.
  1. Explain the objectives of Trend analysis and also give appropriate examples?
  2. What do you mean by Break even analysis? and also explain advantages and disadvantage of break-even analysis.

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Q. 7. Short Notes (Attempt Any 4 out of 6)

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1. Sources of Finance
2. Statements of changes in working capital
3. Objectives of financial management
4. Trend Analysis
5. Marginal Costing
6. Types of Working Capital

Q. 8. Prepare a Cash budget of Ratnagiri Ltd. for March, April and May 2023 from the following information given below:

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Months	Sales(Rs.)	Purchases(Rs.)	Wages(Rs.)	Expenses(Rs.)
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January	1,80,000	70,000	20,000	5,000
February	1,50,000	60,000	18,000	8,000
March	1,40,000	80,000	25,000	9,000
April	1,00,000	60,000	24,000	8,000
May	90,000	50,000	20,000	6,000
June	80,000	40,000	18,000	5,000

**Additional Information-**

1. 20% of the purchases and 10% of sales are of cash.
2. Dividend of Rs.5000 will be received in May 2023.
3. Cash Balance on 31<sup>st</sup> May 2023 may be assumed to be Rs. 65000.
4. The average collection period of the company is  $\frac{1}{2}$  month.
5. Credit purchases are paid regularly after one month.
6. Delay in payment of wages  $\frac{1}{4}$  month.
7. Sales commission of 2% of Total Sales is to be paid in the month following actual sales.
8. Rent of Rs.2000 included in expenses is paid monthly and other expenses are paid after one month lag.

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