

MARKS : 100

(10 marks)

(10 marks)

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Q2. B) From the following particulars relating to ABC Ltd. Prepare common size revenue statement. (10 marks)

Particulars	Amount
Sales	58,000
Cost of goods sales	47,600
Administrative expenses	1,016
Selling expenses	1,840
Non- operating expenses	150
Non-operating income	200
Sales return	2000
Tax rate	50%

OR

Q2. A following is the profit and loss account of M/S Akash enterprises Ltd for the year ended 31/3/2023. (20 marks)

Particulars	Amount	Particulars	Amount
To Opening stock	2,00,000	By Sales – Cash	3,50,000
To Purchase	4,90,000	Credit	9,00,000
To Wages	1,45,000	By Closing stock	3,00,000
To Factory expenses	95,000	By Sale of scrap	5,000
To Office expenses	60,000	By Dividend received	500
To General admin expenses	65,000		
To Selling expenses	56,500		
To Depreciation on machinery	1,25,000		
To Provision for tax	70,000		
To Transfer to general reserve	1,00,000		
To Net profit	1,49,000		
	15,55,500		15,55,500

You are required to compute following ratio:

1. Gross profit ratio
2. Stock – turnover ratio
3. Net profit ratio
4. Operating ratio
5. Operating profit ratio

Note: preparing revenue statement in vertical form is not required.

Q.3. Mohan manufacturing company given the following details. Estimated level of activity 1, 04,000 units of production for the year 2022-23 (52 weeks) (20 Marks)

Raw material = 40, Wages = 22, Overhead = 26, Selling price= 100

1. Raw material in stock average 4 weeks consumption

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2. Work –in – progress 2 weeks.
3. Finished goods in stock 4 weeks
4. Credit allowed by supplier 2 weeks
5. Credit allowed to debtors 4 weeks
6. Lag in payment of wages and overhead 1 ½ week.
7. Cash at bank for smooth operation is expected to be Rs 30,000.
8. Provide margin of safety at 10%.
9. 75% purchase and 80% sales are against credit.

You are required to prepare statement showing working capital requirement for the year 2022-23.

OR

Q 3. The summarized balance sheet of Good Luck Ltd as on 31st March, 2023. : (20 Marks)

Liabilities	Amount (in lakhs)	Assets	Amount (In lakhs)
Equity share capital	75	Fixed assets (at cost) 210	
		Less: depreciation (25)	185
10% preference share capital	40	Stock	25
Reserve and surplus	45	Debtors	30
Profit and loss A/c	20	Cash at bank	15
10% debentures	25		
Provision for taxation	10		
Sundry creditors	40		
	255		255

The following particulars are also given for the year

	In lakhs
Net sales	120
Profit before interest and tax	37
Net profit after tax	20
Market price per equity share is Rs 75	

Calculate the following ratios

1. Acid test ratio
2. Debtors turnover ratio (360 days in a year)
3. Capital gearing ratio
4. Net profit ratio
5. Return on proprietors ratio

Note: preparing balance sheet statement in vertical form is not required.

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Q4 'Geeta' Ltd is considering the purchase of a machine. Two models, model A and model B are available each costing Rs 2,00,000. Cash inflow are expected as follows: (20Marks)

Year	Model A	Model B	Discount factor @ 12%
1	45,000	15,000	0.893
2	60,000	45,000	0.797
3	75,000	60,000	0.712
4	45,000	90,000	0.636
5	60,000	60,000	0.567
6	40,000	50,000	0.507
7	30,000	30,000	0.452

Indicate the selection of the machine by applying

1. Payback period at 12% discounting factor
2. Profitability index.

OR

Q.4 . Dipti Ltd. plan to produce 12,000 units during the year 2023-24 and sell them for Rs 150 per unit

Cost structure of product is (20 marks)

Raw materials	60%
Labour	15%
Overhead	15%
	90%
Profit	10%
Selling price	100%

Further details are available for the year 2023-24

1. Raw material equivalent to 2 month supply is stored in the Godown.
2. Production process takes 2 month.
3. Finished goods equal to 3 months production are carried in stock.
4. Debtors get credit of 2 months and Creditors allow credit of 1 ½ month.
5. Time lag in the payment of wages and overhead is 1 month.
6. 20% sales are made on cash basis and remaining balance on credit.
7. Cash and bank balance will be maintained at Rs 15,000.

You are required to prepare statement showing working capital requirement for the year 2023-24

Q5 . A. Explain the meaning and function of management accounting. (10 marks)

B. Explain all revenue statement ratios (10 marks)

OR

Q5. Write short note on (any four) (20 Marks)

1. Classification of current liabilities
2. Comparative financial statement

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3. Capital gearing ratio
4. Profitability index method
5. Temporary working capital and permanent working capital
6. Importance of capital budgeting
