

V.P.M.'s K.G. Joshi College of Arts & N.G.Bedekar College of Commerce, Thane.
TYBCOM - A & F 5TH SEMESTER
PRELIMINARY EXAMINATION OCT - 2008

TIME : 11.00 a.m. to 1.00 p.m.
CODE : 524 - B

MARKS : 60
DATE : 13/10/2008

SUBJECT & PAPER :MGMT.ACC. - II

Instruction : 1] Solve all 4 questions after exercising internal option.
2] All questions carry 15 marks.

Q.1 Prepare a Funds Flow statement of Ganesh Ltd.

Balance sheets as on 31st March.

Liabilities	2007	2008	Assets	2007	2008
	Rs.	Rs.		Rs.	Rs.
Share Capital	2,50,000	3,00,000	Land & Building	2,50,000	2,40,000
Reserves	75,000	85,000	Plant &		
P & L A/C	40,500	40,600	Machinery	1,75,000	1,94,000
Bank Loan	70,000	--	Goodwill	--	5,000
Provision			working		
for Tax	35,000	40,000	Capital	45,500	26,600
	4,70,500	4,65,600		4,70,500	4,65,600

Additional Information :

1. Depreciation written off during the year;
 Building Rs.10,000.
 Machinery Rs.14,000.
2. Income Tax paid during Current year Rs.28,000.
3. New share Capital was issued to a vendor for a new business sold by him Comprising of stock of Rs.20,000 & Machinery Rs.25,000.
4. Company paid dividend of Rs. 23,000 during current year.
5. A new machinery was purchased for Rs.8,000 during the year.

You are required to give schedule of changes in working capital, Adjusted P & L A/C and other necessary Accounts as part of working notes.

OR

Q.1 From the following Cash Flow statement of Mr. Prince prepare his statement of changes in working capital, Adjusted P & L A/C and Funds Flow statement.

CODE : 524 B

Liabilities	2007	2008	Assets	2007	2008
	Rs.	Rs.		Rs.	Rs.
Share Capital	5,00,000	7,50,000	Building	1,00,000	2,90,000
Share Premium	50,000	75,000	Machinery	90,000	2,70,000
P & L A/C	-	13,000	10% Investment	1,00,000	1,00,000
12% Debentures	1,00,000	1,00,000	Stock	3,70,000	2,94,000
Creditors	80,000	50,000	Debtors	58,000	49,000
Bank over draft	-	10,000	Advance Tax	5,000	60,000
Tax Provision	6,000	68,000	Cash	5,000	6,000
Bad debts			Bank	6,000	-
Provision	4,000	6,000	P & L A/C	7,000	-
O/S Debenture			Share Issue		
Interest	6,000	3,000	Expenses	5,000	6,000
	7,46,000	10,75,000		7,46,000	10,75,000

Additional Information

- Share issue expenses incurred in current year Rs.2,500.
- Depreciation provided on Building Rs.10,000 and machinery Rs.20,000.

OR

- Q.2** From the following information of Renuka Ltd. Prepare a cash flow statement.
Statement of changes in working Capital.

Particulars	2007	2008	Increase	Decrease
	Rs.	Rs.	Rs.	Rs.
Cash	5,000	4,000	-	1,000
Debtors	40,000	45,000	5,000	-
Stock	30,000	25,000	-	5,000
Current Liabilities	35,000	40,000	-	5,000
Decrease in Working Capital	-	-	6,000	
			11,000	11,000

Adjusted P & L A/C for the year ended 31.03.08

Particulars	Rs.	Particulars	Rs.
To Depreciation	10,000	By Profit b/f	2,000
To Profit C/f	27,000	By Funds from operation	35,000
	37,000		37,000.

Funds Flow statement for year ended 31.03.08

SOURCES	Rs.	APPLICATION	Rs.
Funds from operation	35,000	Purchase of Furniture	15,000
Loan taken	25,000	Purchase of Land	15,000
Issue of shares	5,000	Purchase of Investment	20,000
Decrease working capital	6,000	Bank loan repaid	21,000
	71,000		71,000

Q.3 Following is the Balancesheet & Revenue statement of Sanjana Ltd. for the year ended 31st March 2008.

Liabilities	Amount	Assets	Amount
	Rs.		Rs.
Share capital	80,000	Fixed Assets	75,000
Reserves	20,000	Current Assets	1,00,000
10% Debentures	25,000		
Current Liabilities	50,000		
	1,75,000		1,75,000

Revenue statement for the year ended 31.03.2008.

Particulars	Rs.
Sales	2,00,000
Less cost of sales	1,10,000
	90,000
Less operating Expenses	60,000
Net Profit before Tax	30,000
Less Tax	15,000
Profit after Tax	15,000
Less Dividend	8,000
Retained Earning	7,000

You are required to calculate following ratios & comment on performance of Co. based on ratios after Conversion of Balancesheet to vertical format.

- 1) Current Ratio
- 2) Capital Gearing Ratio
- 3) operating Ratio
- 4) Proprietary Ratio.
- 5) Gross profit Ratio.

OR

Q.3 Capital Gearing ratio is 25% which of the following transaction would.

- a) Improve b) Reduce c) Not alter.

the Capital Gearing ratio. State with reasons

1. Redemption of redeemable preference share Capital
2. Conversion of Convertible debentures into equity share Capital
3. Repayment of bank loan
4. Issue of bonus shares.
5. Conversion of partly paid shares into fully paid shares out of reserves.

Consider each transaction seperately.

Q.4 Using the following information given below construct the Balancesheet of Jupiter Ltd. as on 31st March 2008.

Balancesheet as on 31.03.2008.

Liabilities	Rs.	Assets	Rs.
Share Capital	?	Fixed Assets	?
Reserves & Surplus	?	Stock	?
Bank loan	2,00,000		
Creditors	?		
	?		?

Additional Information :-

1. Sales for the year Rs.45 lakhs
(20% cash sales)
2. Gross Profit Ratio 20%
3. Debtors Turnover Ratio 1 month.
4. Stock Turnover ratio 12 Times
5. Debt Equity ratio 20%
(Debt / Equity)
6. Reserve & Surplus to Capital 25%
7. Current Ratio 2
8. Fixed Assets to Turnover ratio 0.20
(Fixed Assets / Sales)

OR

CODE : 524 B

Q.4 Write short notes (any 3)

1. Limitations of Ratio Analysis
2. Trading on Equity
3. Benefits of Cash Flow statement
4. Distinguish between Balancesheet & Funds Flow statement
5. Stock Turnover Ratio
