

1/4/14

Libram MN3ACQ

SYAF
Mgmt Acctg

Time: 2 hours

Marks: 60

Note: 1) Question one is compulsory.

2) Working notes form part of the answer.

3) Figures to the right indicate full marks.

Q1 a) Classify the following expenses into:

a) Finance b) Selling and distribution c) Office d) COGS

- 1) Advertisement expenses Rs.20000
- 2) Carriage inward Rs.38000
- 3) Salary Rs.78000
- 4) Trade fair expenses Rs.200000
- 5) Printing and stationary Rs.6000
- 6) Insurance Rs.80000
- 7) Sales discount Rs.75000
- 8) Opening stock Rs.40000
- 9) Factory power Rs.60000
- 10) Showroom rent Rs.70000

Q1 b) Give the formula for calculation of:

- a) Quick Liabilities
- b) Owners funds

Q2 a) From the following information prepare Comparative Income statement:

Trading and Profit and Loss accounts for the year ended 31st March 2012 & 2013

Particulars	Rs.	Rs.	Particulars	Rs.	Rs.
Opening stock	80000	320000	Sales	1020000	1500000
Purchases	700000	600000	Closing stock	90000	400000
Depreciation on Furniture	15000	Nil			
Electricity expenses	50000	250000			
Interest on O/D	Nil	40000			
Interest on loan	25000	25000			
Tax	100000	107500			
Net profit	140000	557500			
	1110000	1900000		1110000	1900000

Q2 b) Write a short note on Working Capital management with examples.

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Or

Q2 Amar Ltd. Requests you to prepare Trend Analysis statement from the following information:

(15)

Particulars	2013 (Rs.)	2012 (Rs.)	2011 (Rs.)
Equity share capital (Rs.10 each)	100000	140000	170000
Profit and loss account	59000	200000	150000
Creditors	75000	100000	Nil
General Reserve	60000	200000	110000
Bills Receivable	10000	20000	40000
Fictitious assets	20000	32000	Nil
Trade investments	Nil	200000	100000
10% Preference share capital	50000	100000	200000
13% debentures	Nil	120000	100000
Building	100000	250000	400000
Plant and machinery	64000	150000	230000
Marketable investments	50000	60000	Nil
Debtors	25000	30000	50000
Bills Payable	75000	82000	90000

Q3a) Calculate the following Ratios from the given information:

(8)

- Return on investment
- Return on Equity capital
- Return on shareholders' funds
- Debtors turnover
- Creditors turnover
- Debtors Velocity (in months)
- Creditors Velocity (in weeks)
- Earnings per share

Particulars	Amount
NPBIT	2500000
Equity share capital (Rs.10 each)	5000000
15% Preference share capital	2000000
Reserves	400000
Discount on issue of shares	100000
14% Debentures	6500000
Debtors	1500000
Creditors	600000
Bills Payable	190000
Bills Receivable	200000
Tax rate	15%
Sales (5% cash sales)	3500000
Purchases (10% cash Purchases)	1800000

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Q3b) Calculate all Balance Sheet Ratios from the following information: (7)

In the books of Beta Ltd. Balance sheet as on 31 / 3 / 2013

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Equity share capital (Rs.10 each)	140000	Land	150000
10% Preference share capital	150000	Building	100000
Reserves	50000	Machinery	50000
12% Debentures	200000	Investment	260000
Creditors	55000	Stock	30000
Bills Payable	40000	Debtors	13000
		Discount on issue	32000
	635000		635000

Or

Q3 Rearrange the following information into Vertical form and calculate the following Ratios: (15)

- Gross profit ratio
- Net profit after tax ratio
- Operating profit ratio
- Operating ratio
- Stock turnover ratio
- Interest coverage ratio

Trading and Profit and Loss account for the year ended 31st March 2013

Particulars	Rs.	Particulars	Rs.
Opening stock	80000	Sales	750000
Purchases	39000	Closing stock	30000
Wages	15000	Commission	12000
Depreciation on factory building	4000		
Electricity expenses	10000		
Rent	22000		
Exhibition expenses	7000		
Interest on debentures	12000		
Loss on sale of investment	30000		
Tax	20000		
Net profit	553000		
	792000		792000

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Q4 Following are the Balance sheets on CBC Ltd. As On 31 March 2012 & 2013

(15)

Liabilities	Amount (Rs.)	Amount (Rs.)	Assets	Amount (Rs.)	Amount (Rs.)
Equity share capital (Rs.100 each)	300000	500000	Goodwill	110000	90000
General Reserves	Nil	60000	Land & Buildings	160000	180000
P&L A/c	Nil	58000	Machinery	80000	200000
10% Debentures	200000	Nil	Stock	84000	106000
Creditors	114000	92000	Debtors	180000	156000
Bills Payable	60000	12000	Adv. Income Tax	Nil	40000
Provision for income tax	Nil	50000	Bills Receivable	16000	24000
Proposed dividend	Nil	40000	Prepaid Expenses	12000	8000
			Cash in hand	20000	8000
			P&L A/c	12000	Nil
	674000	812000		674000	812000

Additional information:

- Depreciation charged during 2013 was Rs. 16000 on Land & Building, Rs. 20000 on Machinery.
- Part of Machinery was sold for Rs. 15000 at a loss of Rs. 4000.
- During 2013 interim dividend was paid Rs. 15000.
- During the year Machinery having book-value of Rs.16000 was sold for Rs.14000.

You are required to prepare Cash Flow statement as per As 3

Or

Q4 a) From the following information prepare Common Size statement:

(7)

In the books of Alpha Ltd. Balance Sheet as on 31st March 2013

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Equity share capital (Rs.100 each)	250000	Bank	116000
12% Debentures	200000	Stock	75000
10% Preference share capital	100000	Debtors	150000
Long term loan	50000	Machinery	140000
General Reserves	250000	Furniture	140000
P&L A/c	80000	Land	100000
Creditors	80000	Buildings	350000
Bills Payable	110000	Goodwill	49000
	1120000		1120000

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Q4 b) From the following data provided by Abhay Ltd. Estimate the Working Capital requirement for the year ended 31/3/2013.

(8)

Estimated production during the year is 300000 units. (Assume there are 52 weeks in a year and 4 weeks in a month).

- a) Raw materials remain in stock for one months and production cycle takes three weeks.
- b) Finished goods remain in stock for five weeks.
- c) Two months credit is allowed by suppliers.
- d) Two weeks credit is allowed to debtors.
- e) Time lag in payment of wages and overheads is two weeks each.
- f) Cash and bank balance to be maintained at Rs. 35000
- g) Selling price per unit is Rs. 30
- h) Raw material cost is 25% of sales
- i) Labour and overheads are in ratio of 4:6 per unit.
- j) Profit is Rs. 5 per unit.

Assume that the operations are evenly spread throughout the year, wages & overheads accrue similarly. Manufacturing process required feeding of materials fully at the beginning. Degree of WIP is 50%. Debtors are to be estimated on the basis on Cost price.

	2012	2013	Particulars	Rs.	Rs.
Capital	10000	12000	Share	100000	120000
Reserves	20000	30000	Share	50000	80000
Depreciation on Furniture	15000	18000			
Provision on Creditors	50000	25000			
Interest on Loan	10000	12000			
Tax	10000	12000			
Net profit	10000	12000			
	110000	130000		110000	130000

Q2 b) Write a short note on Working Capital management with examples.

(5)

P.T.O.