

**CODE : QUITO**

Time : 2 Hrs.

Marks : 60

- Instructions :-**
- 1) Solve all 4 questions after exercising internal option.
  - 2) All questions carry equal marks.
  - 3) Maximum Time 2 hrs.
  - 4) Maximum Marks 60 Marks.
  - 5) Neatness will be suitably rewarded.

- Q.1 i)** Define management Accounting in detail **15**  
ii) Explain Tools and techniques employed by management Accounting.  
iii) What are 4 steps in planning process? What are controllable & non-controllable variables in planning? Explain & give examples.

OR

- Q.1 i)** Explain Functions of Management Accounting **15**  
ii) Explain limitations of Management Accounting  
iii) Distinguish between Management Accounting & Financial Accounting.

- Q.2 i)** What are current liabilities? Explain and give examples. **15**  
ii) What are capital Reserves? Explain and give examples.  
iii) Explain  
a) Short term & Long term investments.  
b) Trade & Marketable investments.

OR

- Q.2** Rearrange the following Balancesheet and profit & loss account of sundara Ltd. in a vertical format. **15**

Balancesheet as on 31.03.2007.

Liabilities	Rs.	Assets	Rs
Bills payable	25,000	Fixed Assets	1,25,000
sundry creditors	50,000	sundry Debtors	50,000
Debentures	1,00,000	Bank balance	25,000
Reserves	50,000	Inventory	1,25,000
Equity share			
Capital	50,000		
preference			
Share capital	50,000		
	<b>3,25,000</b>		<b>3,25,000</b>

Profit & Loss A/C for year ended 31.03.2007.

Dr

Cr

Piculars	Amt Rs.	Piculars	Amt Rs.
To opening Inventories	75,000	By Sales	5,00,000
To Purchases	1,50,000	By closing Inventories	1,25,000
To Manufacturing Expenses	50,000	By profit on sale of shares	25,000
To Direct wages	1,00,000		
To Administration Expenses	25,000		
To selling Expenses	25,000		
To Loss on sale of Asset	27,500		
To Interest on Debentures	5,000		
To net profit	1,92,500		
	<b>6,50,000</b>		<b>6,50,000</b>

- Q.3** Following is the profit & Loss account of Lucky Ltd. for the year ended 31<sup>st</sup> March 2007 your are required to prepare vertical Income statement for analysis and calculate the following ratios. **15**
- i) Gross profit Ratio
  - ii) operating costs ratio
    - a) Total operating cost ratio.
    - b) office & Administrative cost ratio
    - c) selling & distribution cost ratio
    - d) Finance cost ratio.
  - iii) Stock Turnover Ratio.

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Profit &amp; Loss Account A/C for year ended 31.03.2007

Dr.

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Particulars	Rs. in Lakhs	Particulars	Rs in Lakhs
To opening stock	700	By sales	
To Purchases	900	Cash	520
To wages	150	Credit	1500
To Factory Expenses	350		2020
To office salaries	25	Less Return &	
To office Rent	39	Allowances	20
To postage & Telegram	5		2,000
To Directors Fee	6	By closing stock	600
To Salesmen's Salaries	12	By Dividend on Investment	10
To Advertising	18		
To Delivery Expenses	20	By Profit on sale of Furniture	20
To Debenture Interest	20		
To Depreciation on office furniture	10		
On plant	30		
on Delivery van	20		
To loss on sale of van	5		
To Income Tax	175		
To Net Profit	145		
	<b>2630</b>		<b>2630</b>

OR

Q.3 Calculate from the following details given by Delta Ltd.

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- Current Ratio
- Liquid Ratio
- Creditors Turnover Ratio & and Average credit period.
- Debtors Turnover Ratio and Average Credit period.
- stock Turnover Ratio.

Particulars	Rs.
Stock	1,00,000
Debtors	1,40,000
Cash	60,000
Creditors	1,60,000
Bank Overdraft	30,000
outstanding Expenses	10,000
Total Purchases	6,60,000
Cash purchases	20,000
Gross profit Ratio	$33 \frac{1}{3} \%$

**Q.4** From the following financial statements of Pyara Ltd. for the years ended 31st March 2006 and 2007, prepare. **15**

- a) Commonsize Balancesheet and Balancesheet Income.  
 b) Commonsize incomestatemnts (both in vertical format)  
 Balancesheet as on 31.03.....

Liabilities	2006 RS.	2007 Rs.	Assets	2006 Rs.	2007Rs.
Equity share capital	4,00,000	4,00,000	Land	1,00,000	1,00,000
9% preference share capital	3,00,000	3,00,000	Building	3,00,000	2,70,000
General Reserves	2,00,000	2,45,000	Plant	3,00,000	2,70,000
17% Debentures	1,00,000	1,50,000	Furniture	1,00,000	1,40,000
creditors	1,50,000	2,00,000	Stock	2,00,000	3,00,000
Bills payable	50,000	75,000	Debtors	2,00,000	3,00,000
Tax payable	1,00,000	1,50,000	Cash	1,00,000	1,40,000
	<b>13,00,000</b>	<b>15,20,000</b>		<b>13,00,000</b>	<b>15,20,000</b>

Profit & Loss Account for the year ended 31.03.....

Dr Cr

Piculars	2006 RS.	2007 Rs.	Piculars	2006 Rs.	2007Rs.
To cost of Goods sold	6,00,000	7,50,000	By Net Sales	8,00,000	10,00,000
To operating Expenses :					
Administrative Expenses :	30,000	40,000			
Selling Expenses	20,000	20,000			
To net profit	1,50,000	1,90,000			
	<b>8,00,000</b>	<b>10,00,000</b>		<b>8,00,000</b>	<b>10,00,000</b>

OR

**Q.4** From the following Profit & Loss Account and Balance sheet of Zeta Ltd, prepare a comparative income statement and balancesheet in vertical form **15**  
 Profit and Loss A/C for the year ending 31.03.....

(Rs. in' 000)

Piculars	2006	2007	Piculars	2006	2007
To cost of Goods sold	300	350	By net Sales	400	500
Administrative Expenses :	10	10			
To Selling Expenses	15	20			
To net profit	75	120			
	<b>400</b>	<b>500</b>		<b>400</b>	<b>500</b>

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Balance sheet as on.....

(Rs. in '000)

<b>Liabilities</b>	<b>2006</b>	<b>2007</b>	<b>Assets</b>	<b>2006</b>	<b>2007</b>
Bills payable	25	40	Bank balance	50	75
Accounts Payable	75	100	Account Receivable	100	180
Tax payable	50	75	Inventories	100	120
12% Debentures	50	100	Land	50	50
13% preference share capital	150	150	Building	150	210
Equity shares	200	200	plant	150	200
Reserves & surplus	100	210	Preliminary Expenses	50	40
	<b>650</b>	<b>875</b>		<b>650</b>	<b>875</b>

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