

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-A

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 From the given Profits Loss A/C and Balancesheet of Chafa Ltd. Calculate the following ratios.

- i) Current Ratio
- ii) Proprietary Ratio
- iii) Debt-Equity Ratio
- iv) Debtors Turnover Ratio & Collection Period in months
- v) Creditors Turnover Ratio & Collection period in months.

Profit & Loss A/C for the year ended 31.03.2008

| Particulars | Rs. | Particulars | Rs. |
|----------------------------|----------|--------------|----------|
| To cost of goods sold | 1,75,000 | BY Sales | 3,00,000 |
| To Administrative Expenses | 25,000 | (all credit) | |
| To Finance expenses | 15,000 | | |
| To selling expenses | 20,000 | | |
| To Depreciation | 15,000 | | |
| To Provision for Tax | 20,000 | | |
| To Net Profit | 30,000 | | |
| | 3,00,000 | | 3,00,000 |

Balance sheet as on 31.03.2008

| Liabilities | Rs. | Assets | Rs. |
|--------------------------|----------|-----------------------|----------|
| Equity share Capital | 1,00,000 | Land & Building | 1,85,000 |
| Preference share capital | 50,000 | Long term investments | 40,000 |
| Reserves | 35,000 | Stock | 35,000 |
| 10% Debentures | 50,000 | Debtors | 30,000 |
| Creditors | 20,000 | Cash & Bank | 10,000 |
| Outstanding expenses | 45,000 | | |
| | 3,00,000 | | 3,00,000 |

OR

3 marks each

Q.1 a) Following data Asha Ltd. is given.

Bank Rs. 1,00,000

Creditors Rs. 25,000

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b) Following data of Apeksha Ltd. is given

| | |
|--------------------------|--------------|
| mortgage loan | Rs.1,00,000. |
| 10% Debentures | Rs.1,00,000 |
| Equity share capital | Rs.5,00,000 |
| Reserves | Rs.50,000 |
| Preference share capital | Rs.2,00,000. |

Calculate Debt-Equity Ratio

c) Following data of Sona Ltd. is given :

| | |
|--------------------------|---------------------------|
| sales Rs. 5,00,000 | opening stock Rs.1,50,000 |
| Gross profit Rs.2,00,000 | Closing stock Rs.2,50,000 |

Find out stock Turnover Ratio.

d) Following data of Chandi Ltd. is given.

Net profit after tax interest & Preference dividend Rs.3,80,000.

| | |
|--------------------------|--------------|
| Equity share capital | Rs. 6,00,000 |
| Preference share Capital | Rs. 2,00,000 |
| Reserves & Surplus | Rs.1,00,000 |

Find out Return on Proprietor's Funds.

e) Following data of Platinum Ltd. is given.

| | | | |
|--------------------------|--------------|--------------------|--------------|
| Equity share Capital | Rs. 5,00,000 | Secured Debentures | Rs.3,00,000 |
| Preference share Capital | Rs. 3,00,000 | Unsecured loans | Rs. 3,00,000 |
| Reserves | Rs.2,00,000 | Miscellaneous | |
| | | expenditure | Rs.50,000 |
| | | (unamortized) | |

Calculate Capital Gearing Ratio

Q.2 From the following information related to Fortune Ltd. prepare Funds Flow statement

| Liabilities | 2007 | 2008 | Assets | 2007 | 2008 |
|----------------------|----------|----------|--------------|----------|----------|
| Equity share capital | 3,00,000 | 4,00,000 | Fixed Assets | 1,90,000 | 2,10,000 |
| Reserves | 1,00,000 | 50,000 | Inventories | 1,50,000 | 1,95,000 |
| Retained Earning | 30,000 | 60,000 | Accounts | | |
| Accounts payable | 45,000 | 1,35,000 | Receivable | 1,05,000 | 1,50,000 |
| | | | Cash | 30,000 | 90,000 |
| | 4,75,000 | 6,45,000 | | 4,75,000 | 6,45,000 |

Additional data

- The Company issued bonus shares for Rs.50,000 & for cash Rs.50,000.
- Depreciation written off during the year Rs.15,000.

Q.2 From the following cash Flow Statement prepare Funds Flow statement & Adjusted Profit & Loss A/C of Yana Ltd. for the year ended 31.03.2008. Cash Flow statement for year ended 31.03.2008.

| Particulars | Rs. | Rs. |
|--|----------|----------|
| A. Cash flow from operating activities | | |
| Net Profit (2,40,000-1,40,000) | 1,00,000 | |
| Adjustment for | | |
| Add Depreciation on Furniture | 5,600 | |
| Add Tax | 4,500 | |
| Add preliminary expenses written off | 5,000 | |
| Less profit on sale of machinery | 10,000 | |
| Less Profit on sale of investments | 400 | |
| operating profit before changes in working capital | 1,04,700 | |
| Changes in working Capital | | |
| Increase in Bills Payable | 22,000 | |
| Increase in Bills Receivable | (400) | |
| Increase in stock | (32,000) | |
| | 94,300 | |
| Less Tax paid | 4500 | |
| Net Cash Flow from operating activities | | 89,800 |
| B. Cash Flow from Investing Activities | | |
| Purchase of Furniture | (40,000) | |
| Purchase of Machinery | (40,000) | |
| Sale of Machinery | 42,000 | |
| Sale of Investments | 9,000 | |
| Net Cash Flow from Investing activities | | (29,000) |
| C) Cash Flow from Financing Activities | | |
| Issue of Equity share Capital | 2,24,000 | |
| Issue of 10% Debentures | 60,000 | |
| Net cash flow from financing activities. | | 2,84,000 |
| Net Increase in Cash Flow | | 3,44,800 |
| Add Balance at Start of year | | |
| Bank over draft | (6,000) | |
| Cash & Bank | 54,800 | 48,800 |
| Balance at end of year | | |
| Bank overdraft | (2400) | |
| Cash & Bank | 3,96,000 | 3,93,600 |

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Q.3 From the following Balance Sheets of Sharada Ltd. Prepare Cash flow statement with necessary working notes.

| Liabilities | 2008 | 2007 | Assets | 2008 | 2007 |
|-------------------|-----------|-----------|--------------|-----------|-----------|
| Share Capital | 8,00,000 | 7,00,000 | Fixed Assets | 7,50,000 | 5,00,000 |
| General | | | Stock | 2,60,000 | 1,60,000 |
| Reserve | 2,25,000 | 1,75,000 | Debtors | 3,75,000 | 2,25,000 |
| Profit & Loss A/c | 2,50,000 | 1,50,000 | Cash | 1,80,000 | 1,50,000 |
| 10% Debentures | | | Underwriting | | |
| Issued for | | | Commission | NIL | 70,000 |
| Purchase of | | | | | |
| Fixed Assets | 2,00,000 | NIL | | | |
| Proposed | | | | | |
| Dividend | 90,000 | 80,000 | | | |
| | 15,65,000 | 11,05,000 | | 15,65,000 | 11,05,000 |

Additional Information

1. Interim Dividend paid during the year 2008 Rs.30,000.
2. Depn for the year 2008 on fixed asset amounted to Rs.50,000
3. Underwriting Commission was written off during 2008.
4. Fixed Assets purchased during 2008 Rs. 1,00,000.

OR

Q.3 From the following information prepare a cash flow statement of Sujan Ltd.

1. Statement of changes in working Capital

| Particulars | Previous year. | Current year | Increase | Decrease |
|-----------------------------|----------------|--------------|----------|----------|
| | Rs . | Rs. | (Rs.) | Rs. |
| Stock | 11,120 | 18,100 | 6,980 | - |
| Debtors | 23,660 | 33,360 | 9,700 | - |
| Bank | 11,400 | 9,500 | - | 1900 |
| Creditor | 26,730 | 39,070 | - | 12,340 |
| Increase in working capital | - | - | - | 2,440 |
| | | | 16,680 | 16,680 |

CODE : 524 A**Adjusted Profit & Loss A/C**

| Particulars | Rs | Particulars | Rs |
|----------------------|--------|------------------------------------|--------|
| To proposed dividend | 3,000 | By bal b/f | 4,000 |
| To Depreciation | 8,000 | By Profit on sale of Investment | 400 |
| To bal C/f | 6,600 | By Funds from operation | 13,200 |
| | 17,600 | | 17,600 |

SOURCES & APPLICATION OF FUNDS

| Sources | Rs. | Application | Rs. |
|----------------------|--------|--------------------------------|--------|
| Issue of shares | 8,000 | Purchase of machinery | 9,800 |
| Sale of Investment | 600 | Dividend paid | 5,960 |
| Funds from operation | 13,200 | Income Tax Paid | 3,600 |
| | | Increase in Working Capital | 2,440 |
| | 21,800 | | 21,800 |

Q.4 From the following data of Jigna Ltd. Prepare a detailed Balancesheet

| | |
|-------------------------------|-------------|
| Gross profit | Rs.80,000 |
| Gross profit to COGS Ratio | 1/3 |
| Stock Velocity | 6 times |
| opening stock | Rs. 36,000 |
| Accounts Receivable velocity | 72 days |
| Current Assets | Rs.1,50,000 |
| Accounts payable velocity | 90 days |
| Bills Receivable | Rs.20,000 |
| Bills payable | Rs.5,000 |
| Fixed Assets to Cost of sales | 8 Times. |

Assume year is of 360 days.

OR

Q.4 Write short notes on **(any 3)**

1. Window Dressing of Current Ratio.
2. Price Earning Ratio.
3. Comparison between Funds Flow statement & Cash flow statement.
4. Importance of Balancesheet Ratios