

Duration : 2½ Hrs.

Total Marks:75

- N.B. 1) All questions are compulsory.
2) Figures to the right indicate full marks.
3) Show workings wherever necessary.

Q.1] The Balance sheet of Asmita Ltd. is given for the year 2014. Convert them into vertical balance sheet. (15)

Balance Sheet

Liabilities	Rs.	Assets	Rs.
Equity Shares	1,91,000	Buildings	2,00,000
General Reserve	70,000	Plant & Machinery	55,000
Revenue R & S	30,000	Furniture	20,000
Creditors	40,000	Freehold Property	12,000
Bills Payable	60,000	Goodwill	30,000
Bank old	80,000	Cash Balance	20,000
Provisions	20,000	Sundry Debtors	35,000
		Inventories	57,000
		Investment (temporary)	42,000
		Bills Receivable	20,000
	4,91,000		4,91,000

OR

Q.1] What are financial statements? Which are the parties interested in financial statements? (15)

Q.2] Prepare an amortization schedule from the following information assuming that the principal amount is repayable equally along with the interest payable on outstanding loans. (15)

Amount Borrowed	6,00,000
Annual Interest	11%
Repayment Period	6 years

OR

Q.2] What is term loan? Discuss the various features and steps involved in term loan. (15)

Q.3] From the following information pertaining to Ishwari Ltd., prepare a statement showing the working capital requirements. (15)

Budgeted Sales	Rs. 260000 p.a.
Analysis of sales (pr unit)	Rs.
Raw Materials	3
Direct Labour	4
Overhead	2
Total Cost	9
Profit	1
Sale Price	10

It is estimated that :

- 1) Raw Materials remain in stock for 3 weeks and finished Goods for 2 weeks.

NOBACH

- 2) Factory processing takes 3 weeks
- 3) Suppliers allows 6 weeks credit
- 4) Customers are allowed 8 weeks credit

Assume that production and overheads accrue evenly throughout the year.

OR

Q.3] What is working capital? Discuss the elements and factors determining WC requirements. (15)

Q.4] The Management of NS chemicals proposes to purchase a machine. Two machines are available machine A and machine B. (15)

From the following information, advise the management which of the two alternatives will be more profitable under the – 1) Net present value Method 2) Profitability Index Method

	Machine A	Machine B
Initial outlay	Rs.32,000	Rs.37,500
Net cash flows		
For year 1	15000	10000
2	15000	10000
3	15000	10000
Estimated life	3 yrs	6 yrs

The cost of capital may be taken at 10% p.a.

Year	1	2	3	4	5	6
PV @ 10%	0.909	0.826	0.751	0.683	0.621	0.564

Q.4] What is Ratio Analysis? Explain in detail solvency and capital structure Ratios. (15)

Q.5] Write short notes on : (Any 3)

- 1) Pledge and Hypothecation
- 2) Accounting Concepts
- 3) Cash Flow Statement
- 4) Insider Trading
- 5) Levels of Management

	Rs.	Rs.
Budgeted Sales		20000 p.a.
Analysis of sales (p.u)		
Raw Materials	1	
Direct Labour	4	
Overhead	2	
Total Cost	7	
Profit	13	

Sale Price	10	