

Time : 2 & ½ Hours

Marks : 75

Instructions:

1. All questions are compulsory, subject to internal choice.
2. Use of a simple calculator is allowed.
3. Working note should form part of your answer.

Q.1 The following is the balance sheet of Virat Ltd. is given for the year 2014. You are required to present it in Vertical form. (15)

Balance Sheet

Liabilities	2014 Rs.	Assets	2014 Rs.
Equity Shares Capital	2,80,000	Goodwill	80,000
Reserves & Surplus	1,50,000	Land & Buildings	1,50,000
10% Mortgage Debenture	2,15,000	Plant & Machinery	2,00,000
Sundry Creditors	1,30,000	Patents Rights	21,500
Bank Overdraft	40,000	Stock in trades	1,43,500
Provision for Tax	35,000	Sundry Debtors	2,40,000
		Cash in Hand	5,000
		Cash at Bank	10,000
Total	8,50,000	Total	8,50,000

OR

Q.1 Calculate Trend percent of Dhoni Ltd from the following information extracted from the financial statements of different years. Give your two appropriate comments on each statement: (15)

Particulars	2011	2012	2013	2014
Assets				
Fixed Assets	2,11,696	2,08,694	2,04,580	1,84,122
Investments	20,000	15,000	10,000	9,000
Cash in Hand	41,680	30,472	20,346	18,312
Sundry Debtors	1,85,040	1,31,346	85,750	77,175
Stock	1,31,474	1,34,684	1,45,172	1,30,655
Prepaid Expenses	1,690	3,236	2,440	2,196
	5,91,580	5,23,432	4,68,288	4,21,460
Liabilities				
Sundry Creditors	1,40,712	1,32,684	1,17,410	1,05,669
Liability for Expense	5,640	4,094	2,490	2,240
Share Capital	4,45,228	3,86,654	3,48,388	3,13,551
	5,91,580	5,23,432	4,68,288	4,21,460

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Q.2 Jadega Ltd. presents you the following Balance Sheet as at 31st Mar 2014:

(15)

Liabilities	2014 Rs.	Assets	2014 Rs.
2,500 Equity Shares	25,000	Fixed Assets	43,750
8% Preference Share Cap	5,000	Investments	12,500
Reserve Fund	20,000	Stock	15,000
6% Debentures	10,000	Sundry Debtors	6,750
Sundry Creditors	15,000	Bank Balance	3,500
Provision for Tax	2,500	Preliminary Expenses	4,000
P&L a/c (after tax)			
Prev. Year 500			
Curr. Year 7,500	8,000		
Total	85,500	Total	85,500

Additional Information:

Tax provided during current year Rs. 2,500.

Calculate the following ratios:

1. Return on Capital Employed.
2. Current Ratio
3. Earnings per share.
4. Return on Proprietor's funds
5. Proprietary ratio.

OR

Q.2 Following is the Trading, Profit & Loss Account of Ganguly Ltd. for the year ended 31st Dec, 2014 and a Balance Sheet on that date: (15)

Trading, Profit & Loss Account

Particulars	Rs.	Particulars	Rs.
To Opening Stock	72,500	By Sales	3,75,000
To Purchases	3,05,000	By Closing Stock	77,500
To Gross Profit	<u>75,000</u>		
	<u>4,52,500</u>		<u>4,52,500</u>
To Sundry Expenses	40,000	By Gross Profit b/d	75,000
To Net Profit	35,000		
	75,000		75,000

Balance Sheet

Liabilities	Rs.	Assets	Rs.
Share Capital	3,50,000	Net Block	2,75,000
Reserves & Surplus 25,000		Stock	77,500
Add: Profit for year <u>35,000</u>	60,000	Debtors	90,000
Bank Overdraft	17,500	Cash	60,000
Sundry Creditors	75,000		
Total	5,02,500	Total	5,02,500

Calculate:

1. Return on Proprietor's Funds.
2. Return on Capital Employed.
3. Return on Equity Share Capital.
4. Debtors turnover ratio.
5. Creditors turnover ratio.

Q.3 Sachin Ltd. supplies you the following Balance Sheets as on 31st December: (15)

Liabilities	Amount 2013	Amount 2014	Assets	Amount 2013	Amount 2014
Share Capital	70,000	74,000	Bank Balance	9,000	7,800
Bonds	12,000	6,000	Bills Receivable	14,900	17,700
Bills Payable	10,360	11,840	Inventories	49,200	42,700
RDD	700	800	Land	20,000	30,000
Profit & Loss	10,040	10,560	Goodwill	10,000	5,000
Total	1,03,100	1,03,200	Total	1,03,100	1,03,200

Following additional information has also been supplied to you:

- i. Dividends amounting to Rs 3,500 were paid during the year 2014.
- ii. Land was purchased for Rs. 10,000
- iii. Rs. 5,000 were written off on Goodwill during the year.
- iv. Bonds of Rs. 6,000 were paid during the course of the year.

You are required to prepare Cash Flow Statement as per Indirect Method.

OR

Q.3 Ashwin Ltd. furnish you the following Balance Sheets as on 31st Dec 2013 & 31st Dec 2014. You are required to prepare a Cash Flow Statement for the year ended 31st Dec 2014. (15)

Liabilities	2013	2014	Assets	2013	2014
Equity Share Capital	10,000	10,000	Goodwill	1,200	1,200
General Reserve	1,400	1,800	Land	4,000	3,600
Profit & Loss	1,600	1,300	Building	3,700	3,600
Sundry Creditors	800	540	Investments	1,000	1,100
Outstanding Expenses	160	140	Inventories	3,000	2,340
Provision for Taxation	1,600	1,800	Bills Receivable	2,000	2,220
			Bank Balance	660	1,520
	15,560	15,580		15,560	15,580

Following additional information has also been supplied to you:

- i) A piece of land has also been sold for Rs. 400.
- ii) Depreciation amounting to Rs. 700 has been charged on Building.
- iii) Provision for taxation has been made for Rs. 1,900 during the year.

Q.4 The Board of Directors of Rohit Ltd. require you to prepare a statement showing the working capital requirements forecast for a level of activity of 1,56,000 units of production. The following information is available for your calculation: (15)

	(Rs. Per Unit)
Raw Materials	90
Direct Labour	40
Overheads	<u>75</u>
Total Cost	205
Profit	<u>60</u>
Selling Price Per Unit	<u>265</u>

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- (a) Raw materials are in stock on average four weeks.
- (b) Materials are in progress, on average two weeks.
- (c) Finished goods are in stock, on average four weeks.
- (d) Credit allowed by suppliers – four weeks.
- (e) Time lag in payment from debtors – eight weeks.
- (f) Time lag in payment of wages – 1^{1/2} weeks.
- (g) Lag in payment of overheads – four weeks.

20% of the output is sold against cash. Cash in hand & Bank is expected to be Rs 60,000. It is to be assumed that production is carried on evenly throughout the year. Wages and overheads accrue similarly.

OR

Q.4 The sales and profits during the two years Bhuvaneshwar Ltd were as follows: (15)

The Quarter Ended	Sales Rs.	Cost Rs.
Dec 2013	4,00,000	40,000
Mar 2014	6,00,000	80,000

Calculate:

- (a) Profit Volume Ratio.
- (b) Fixed Costs.
- (c) Break Even Point.
- (d) If the company wants to have a profit of Rs. 12,000 what should be the level of Sales
- (e) Profit when sales are Rs. 7,50,000.
- (f) Revised BEP if Fixed Cost increases by 20%.

Q.5 (15)

Sami Ltd
Profit and Loss Account for the year ended 31-3-2013

Particulars	Amounts Rs.	Particulars	Amounts Rs.
To Opening Stock	76,250	By Sales	6,02,350
To Purchases	3,15,250	Less: Returns	<u>10,000</u>
To Freight and Carriages	7,000	By Closing Stock	98,500
To Staff Salaries	20,000	By Interest on Bonds	1,500
To Sales Salaries	15,300	By Dividends on Shares	3,750
To Interest on Debentures	1,200	By Profit on Sale of Shares	3,900
To Rent	2,700		
To Printing & Stationery	2,500		
To Advertising	4,700		
To Sales Discount	2,400		
To Depreciation	9,300		
To Insurance	1,000		
To Electricity	350		
To Salesmen's Travelling	2,000		
To Bad Debts	3,400		
To Telephone Expenses	750		
To Legal Charges	6,400		

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To Directors Fees	48,000		
To Loss on Sale of Bonds	3,500		
To Provision for Claim for Damages	1,650		
To Net Profit	1,76,350		
Total	7,00,000	Total	7,00,000

Rearrange them in Vertical form and prepare Common Size statements and offer your 2 comments.

OR

Q.5 Short Notes (any three)

(15)

1. Contingent Liabilities
2. Non-Cash Expenses
3. Ratio relating to Sales
4. Break Even Analysis
5. Sources of Cash Inflow