BT.39

MN10AGW

SY (BI)

TIME: 2 Hrs.

Marks:60

Note: -

Q.1 Write Short Note on.

A. Convertible Debentures

(7)

B. Sources of working Capital

(8)

OR

Q.1 What is plouging back of profit? What are its advantages to Company and share holders.

(15)

(15)

Q.2 Following are the extracts from the financial Statements of M/S Ashish Ltd. as on 31 st December, 2006 & 31 st December 2007.

aw yr	Particulars	31 -12 - 2006 3	1 -12 - 2007	
7 day	Closing Stock as and A	in 000,01me, 200	25,000	
jures	Debtors serios ed or	20,000	20,000	
nent of the h	Bills Receivable	10,000	5,000	ast th
	Advance recoverable in cash or kind	2,000	5,000	ni wol iwollol
	Cash on hand	18,000	15,000	
30/6/	Sundry Creditors	25,000	30,000	Liabiliti
	Bills payable	15,000	20,000	
	Bank Overdraft	157 SO- 225:00 Clo	2,000	
	9% Debentures 2006	5,00,000	5,00,000	Mortga
	Sales for the year	3,50,000	3,00,000	
	Gross profit	70,000	50,000	

you are required to compute for each of the year.

Current Ratio 1.

Liquid ratio

3. Stock Turnover Ratio Debtors Turnover Ratio

Stock working capital Ratio and offer your comments.

Sile	et of the company for the year 20	08.	(15
1.	Current Ratio	2.5 vrosluquoo ara anouse	
2.	Liquid Ratio	es to Right Indicates Pull Marl 6.1	
3.	Net working capital	Suestion will start on 1000,00,€ ₹	
4.	Stock Turnover Ratio	6 Times	
	(Cost of sales /closing stock)		
7) 5.	Gross profit Ratio	20%	
8) 6.	Fixed Assets Turnover Ratio	nvertible Debentures %02	
	(Cost of sales / Fixed assets)	urces of working Capital	
7.	Debt Collection period		
8.	Fixed Assets to shareholders	0.80	
	Net worth	share holders.	
9.	Reserve & surplus to Capital	0.50	
	Tal o sanstnatel lei	swing are the extracts from the niland	

Q.3 The Board of Directors of Manish Co. Ltd. was not able to understand why the company was having a low cash balance. The profits of the Company were going up, and in the year ending 30th June, 2007, the amount of profit was ₹ 90,000. This was the highest amount, as compared to the corresponding figures of the last three years. you are advised by the board to present the statement of cash flow in the next meeting of the Board. Prepare this statement with the help of following information. (15)

Extract from the books of Manish Co. Ltd.

*1.444		11/11/01	band	Cash on	(4,000
Liabilities 000.08	30/6/2006	30/6/2007	Assets	30/6/2006	30/6/2007
Issued & Paidup Capital	1,575.00	1,575.00	Long Term Assets (NET)	1,125.00	2047.00
Profit and Loss A/c	157.50	225.00	Closing Stock Assistant	337.50	900.00
Mortgage Loan	0	900.00	Payment (related to	45.00	90.00
Tax Accured (Unpaid)	22.50	67.50	administrative Exp.)	Sales fo	
Trade Creditors	315.00	877.50	Sundry Debtors	112.50	450.00
	year.	ach of the	Odbii	450.00	157.50
Patio	2,070.00	3,645.00	2. Rado 4.	2,070.00	3,645.00

Statement of profit & Loss A/c for the year ended 30th June, 2007.

Particulars 2009 redmend to	ar ending 31 s	(₹000.)	(₹000.)
Sales amount of working bearing	JEDOSSA.	-	2,250.00
Opening stock (1 st July, 2006)	3,00,00	337.50	umaterial . Goods
Add: - Purchases	7 8,0	2,205.00	Purchases w Materials
Mn. Coodsearcqx3 bk90,000 i 200q3		2,542.50	. Goods stores Consum
Less:- Closing Stock (30/6/2007)		900.00	1,642.50
w Materials are seed a les ac marky the		4 weeksaw	Power, fuel and
Gross Profit	15,000 edicom 8 :	aus	607.50
Less :- Administrative expenses		247.50	Salaries
Depreciation		180.00	Rates & Taxes. Rent of office
Taxes (Provision)		90.00	517.50
Net profit		enses	90.00
Payment of Dividends		arage xp.	22.50
Balance		phone	67.50
Add: - Profit & Loss A/c balance (1	st July,2006)		157.50
Balance as on 30 th June, 2007	2,000	292.000.00	225.00

on 15 th June, 2007, a new building was purchased for ₹11,02,500. for making the payment for the building the company paid a deposit of ₹2,02,500 and obtained a mortgage loan of ₹9,00,000 for the balance of purchase price of building.

2,050 2,400

2,400 23,000 1,000

1,000

To Penalty for Breach of Law To Net Profit. c/d

Profit & Loss A/c for the year ending 31 st December, 2009

Particulars			ensio	Partier
To opening stock	Amo	unt Particulars		
Raumaterial 40,00	0	By Sales	1000	Amou
Fin. Goods 80,000		Cash	80,000	COURC
W.I. P. 60.00	10	Credit	8,55,000	-
To Purchases	1,80,0	000		9,35,00
Raw Materials 3,90,00	0	By Closing Stock	-	
Fin . Goods	0	Raw material	80,000	: bbA
To stores Consumed	7,50,0	a a a a a a a a a a a a a a a a a a a	1,00,000	50.000
To Carriage Inwards	70,00		55,000	0.07.
To Workers wages, 00,000	80,00		20,000	2,35,000
Bonus, etc.	1,40,00	By Interest on Loa	- Closing Storn	ana.I.
To Power, fuel and Water				1,500
To Machinery Repairs	20,00	J - Tont on sale of	assets	
To Maintenance	15,00	0		600
Exps of factory		By Dividend on Sha	ares	
To Salaries	25,000	0	nes Jhorq	1,000
247.50	67,200	- J Damages	2	50 go.fr.
To Rates & Taxes		awarded by the cou	rt Administrat	
To Rent of office	5,400	in favour of the cond	cern	
	3,000	for infringement of t	rade	
To Exhibition & Trade		marks.	. date	
fair exps		(noisi	Taxes (Prov	900
To showroom Expenses	3,000	1288	24	
To Comm & Brokerage	4,000			
To Delivery Van Exp.	1,700		4 311010	
To Printing & Stationary	1,300			
To Postage & Telephone	4,000	45,680	ment of Divide	199
To Cash Discount	7,300			
To Director's Fees	800	1 2 20	lance	88 I
To Auditor's	2,500	9,70,000		
Remuneration	3,000	ss A/c balance (1	d Profit & Lo	DA I
To Advertisement				
	2,000	969 He, 2007	00 00 00 00 00 00	
To Professional Expenses To Dep on office	2,500	1 10 200	nance as one	id
Furniture	7,000	1,15,666	L nd on	
Furniture 70 CO 11 7 TO Does	שפש מעוכע	neibt. I		
The rectification of the recti	7 000		15 th June, 200	no l
To interest Public Deposit SQ Vasa	8,600		100 00	
To Debenture Interest To Salesman's				701
	4,300		do bas out on	0 =
Travailing Expenses				
To Warehouse Expenses	1,500		purchase price	do
To Trade Discount	2,050			
To Guarantee Commission	2,400		75,000	
To prov. for Taxation	23,000			
To Penalty for Breach of Law	1,000		50,000	
To Net Profit. c/d	22,500		1,20,000	
			1,20,000	
	11,74,000			
10 Bal. carried to B/S	21.000	D. D.	11,74	000
To General Reserve	15 000	By Balance C/d	23,	500
	-5,000	By Net profit b/d	The second secon	500
	46,000		-	
7.773	10,000		46,0	

From the above Profit & Loss Account Prepare

- 1. Vertical from of Profit & Loss Account
- 2. Retained Earnings Statements

Q.4 Find the amount of working Capital.

(15)

Production Expected	3,00,000 units		
Expected Raw Material Consumption	₹ 18,00,000		
Expected Wage Payment	₹ 3,00,000		
Expected Overhead Expenses	₹ 6,00,000		

Raw Materials are expected to remain in stores for 2 months.

Raw Materials are expected to remain in process for 4 weeks.

Finished goods will remain in godown for 3 months.

Sundry Creditors allow a 3 months credit.

Sundry Debtors are allowed a 2 months credit.

Time lag in payment of wages in half month.

Minimum Cash to be maintained ₹. 12,500.

Selling Price ₹. 10.00 per unit.

Profit on Sale is 10 %

000,000				
	3,70,000			
			Liabilities - ice Preditors	
	z, 2007, a new z pay 90 9/39/4 (
7 2,02,500 at of purchase p	id obtained a m price of building	oan <u>iafi</u> a		
	45,000		and Surplus	
	1,00,000		nare Capital	Eqvity Si

Q.4 Present the following balance sheet in common and the

M/s Sumeet Tags Ltd

Balance Sheet as on 31 st March, 2008 and 2009.

5,00,000,000,000	CHAIT	2008	2009
Particulars	uondum 1 condum	v raterial Const	akpecten Kav
Current Assets	7	75,000	50,000
Cash and Bank Balance	Sn 900 85 8 8 M	1,25,000	1,00,000
Sundry Debtors	20,000	75,000	60,000
Closing Stock	ramain in stute	of perpedice are	50,000
Other Current Assets	repain in proce	50,000	STRITTON WAS WELL
	codown for S mo	III ALLEGATAGE TALL	2,60,000
	nths credit, as	3,25,000	2,00,000
Fixed Assets	months credit.	20,000	40,000
Land and Building	ndralf month.	15,000	30,000
Plant and Machinery	ed 7.12,500:	HBHHBH ou of	20,000
Furniture and Fixtures		10,000	
		% O1 a	Iront on Sale
		45,000	90,000
Total Assets		3,70,000	3,50,000
Current Liabilities -			
Acceptance		10,000	5,000
Sundry Creditors	2.008	1,15,000	1,00,000
Sundry Creases			
Parniture		1,25,000	1,05,000
To interest Public Deposits		1,25,000	2,00,0
Long term Liabilities and			
Travelling Expenses		1,00,000	75,000
Debebetures	2.050	45,000	50,000
Reserves and Surplus	23,000		1,20,000
Eqvity Share Capital		1,00,000	
To Not Profit. c/d			
		2,45,000	2,45,000
To Ball carried to B/S To General Roserve		By let profit b/d	
10 detres			
TOTAL LIABILITIES		3,70,000	3,50,00