SYBMS Mgmt Acctg Oct 12

MN10 AGG

TIME : 2 Hrs. **MARKS : 60**

Note : 1) All questions are compulsory.
2) All questions carry equal marks i.e. 15 marks each.
3) Working note should form the part of the answer.

Q.1. Following is information of Shidori Ltd. for the year ended 31 - 3- 2009. (15)

Particulars	Amt.	Particulars	Amt.
Creditors	208000	Cash	10,000
Advance income	20,000	Inventory	170,000
Provision for Tax	50,000	Machinery	420,000
Provision for Depreciation		Advances to customs	14000
on Land	60,000	Furniture	210,000
On furniture	80,000	goodwill	154000
On Machinery	70,000	Investment	80,000
General Reserve	240,000	Marketable securitie	18000
10% Debentures	154000	Bank Balance	56000
12% Prof. shares	100,000	Preliminary Expenses	40,000
Public Deposit	100,000	Land	508000
Bank Overdraft	104000	Debtors 220,000 (-) Bad debt 6000	214,000
Equity Capital	500,000	Bills Receivables	
Bills Payable	40,000	Patents	120,000
Profit and Loss A/c	200,000	Discounton issue of Debentures	12000
Capital Redemption Reserve	100,000		

You are required to prepare the common size Balance Sheet in vertical form and determine the followings.

1) Networth
2) Loan fund
3) Fixed Assets.
4) Total Assets.
5) Current Assets
6) Quick Liabilities.

OR

Q. 1. From the following income statement of M/s Balaji Ltd. prepare the common size Revenue statement with amount and percentage form suitable for analysis. (15)

Particulars	Rs.	Particulars	Rs.
To opening Stock of finished goods	200,000	By Sale finished goods	10,00,000
To materials consumed	600,000	By closing stock	45000
To wages	125000	by goods distributed as free samples	5000
To factory Overheads	125000		
To gross profit	NIL		
	10,50,00		10,50,000
To staff Salaries	17500	By gross profit	NIL
To Telephone charges	10,000	by commission	260,000
To, Directors fees	10,000		
To Depreciation on office furniture	32,500		
To Advt. Expenses	12000		
To free samples	5000		
To publicity Exp.	80000		
To Interest on Debentures	5000		
To net profit	88000		
	260,000		260,000

Q. 2. A Company produces and sells a single articles at Rs. 10 each. The marginal cost of production is Rs. 6. each and fixed cost is Rs. 400 per annum.

Calculate

1. P/V Ratio 2. Break even point.
3. Sales to earn a profit of rs. 500.
4. New break even point it sales price reduced by 10%
5. Profit of Sales of Rs. 3000
6. Margin of Safety at sales of Rs. 1500
7. Selling price per unit if the break even point is reduced to 80 units.

OR

Q. 2. Rearrange the Balancesheet in vertical formand calculate the trend percentage taking 2006 figures as100.

P.T.O.

Balancesheet as on 31st December. (Rs. in Lacs)

Liabilities	2006	2007	2008	2009
Share capital	60	60	80	80
Reserve	50	45	20	20
Surplus	13	32	31	40
Debentures	10	20	20	30
Secured Loan	08	06	4	10
Unsecured Loan	04	02	6	10
Creditors	06	08	10	03
Bank Overdraft	01	02	08	04
Other Liabilities	01	02	02	03
	153	**177**	**181**	**200**

Assets	2006	2007	2008	2009
Building	50	60	55	80
goodwill	50	45	40	40
Machinery	20	40	43	50
Stock	05	15	25	05
Debtors	20	14	15	10
Cash	05	01	02	15
Preliminary Exp	03	02	01	-
	153	**177**	**181**	**200**

Q.3. Bharat Ltd. furnishes you with its final accounts for the year ended 31-3-2010 (15)

Balance Sheet

Source of fund	
Equity share capital of Rs. 10 each	1500,000
12% pref. share capital of Rs. 100 each	500,000
Share premium	500,000
general Reserve	1500,000
Profit and Loss A/c	500,000
Loan from Directors (a) 18% p.a	20,00,000
15% Non-Convertable Debentures (secured by a charge on assets)	10,00,000
Funds employed	75,00,000
Application of funds	
Fixed Assets	17,00,000
Stock	30,00,000
Debtors	40,00,000
Cash/Bank	100,000
Advance to Suppliers	10,00,000
Deposits with customs	2,00,000

Creditors		20,00,000
Provision for Tazation	200,000	
Proposed Dividend		300,000
Current Liabilities		25,00,000
Net Current Assets		58,00,000
Total Assets		75,00,000

Revenue statement for the year ended 31-3-2010

Sales		200,00,000
<u>Less</u> opening stock	35,00,000	
Purchase	105,00,000	
	140,00,000	
<u>Less</u> closing stock	30,00,000	
	1,10,00,000	
Add Factory overhead	50,00,000	1,60,00,000
gross profit		40,00,000
Less Adm. exp.	3,85,000	
Selling Exp	22,15,000	
Finance exp	90,000	2690,000
Profit before Interest		1310,000
Less : Interest on debentures		150,000
Interest OD Directors Loan		360,000
Profit before Tax.		8,00,000
Tax Provision		400,000
Profit After Tax		400,000
Less Appropriation		
Proposed Dividend (equity)		2,40,000
Prof. Dividend		60,000
Retained Profit		100,000

Calculate the following ratios

1. Current Ratio
2. Liquid Ratio
3. Proprietory Ratio
4. Capital gearing Ratio
5. Stock to working capital Ratio
6. Operating Ratio
7. Expenses Ratio
8. Stock Turnover Ratio
9. Debtors Turnover Ratio

OR

Q. 3. Following summerised Balancesheet of BMW Ltd. as on 31-12-2009 and 2010 (15)

Balances heet

Liabilities	2009	2010	Assets	2009	2010
Equity Share capital	2,00,000	250,000	Bank	35000	16,000
			Stock	40,000	75000
12% Debentures	100,000	80000	Debtors	90,000	150,000
			Machinery	75000	60,000
10% pref share capital	50,000	80,000	Furniture	10,000	8000
			Land	170,000	280,000
Bank Loan	70,000	110,000	Building	140,000	99000
Reserve	20,000	25000	goodwill	30,000	25,000
Profit & Loss	50,000	60,000			
Creditors	60,000	75,000			
Bills payable	40,000	33000			
	590,000	713000		590,000	713000

Additional information

1. Depreciationcharged during 2009 was Rs. 4000/- on furniture, Rs. 12000 on Machinery and Rs. 20,000 on Building.
2. Part of Machinery was sold for Rs. 15000 at loss of Rs. 4000
3. During 2009 interim dividend of Rs. 10,000 was paid.
4. Income Tax of Rs. 5000 paid in the year 2009.
5. During the year part of the building was sold at book-value. You are required to prepare cash flow statement as per as 3 (indirect method)

Q.4. Explain the following concepts. (15)

1. Marginal costing
2. Fund flow statement
3. Working capital
4. Contingent Liabilities
5. Ratio.

OR

Q. 4. A) Ltd. manufactured and sold 30,000 machines in the year 2010 at 100% capacity. Following information is available for the same month.

Material	Rs.	7,50,000
Labour	Rs.	3,00,00,000
Sales	Rs.	15,00,00,000
gross profit	Rs.	20% on sales.

Due to the slow down in economy the company has decided to reduce its production to 50% of its capacity during the 2011. It is estimated that

1. Price of raw material will be reduced by 10% per unit.
2. Overheads will be increased by 10% per unit.
3. Wages

Due to the slow down in economy the company has decided to reduce its production to 50% of its capacity during the 2011. It is estimated that

1. Price of raw material will be reduced by 10% per unit.
2. Overheads will be increased by 10% per unit.
3. Wages will be reduced by 20% P.U.
4. Selling price, per unit to be estimated to maintain profit onsale at 20%
5. Raw material will remain in stock for 1 month.
6. Finished good remain in stock for 2 month.
7. Debtors will to enjoy the one month credit. (valued at selling price)
8. Suppliers will allow 2 month credit.
9. Time lag in payment of wages and overheads will be month.
10. Processing period will one month.
11. Cash and bank Balance should e Rs. 30,00,000

You are required to prepare the estimation of working capital for the year 2011.

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