

Time : 2 hrs.

CODE - PRASEODYMIUM

4/10/08

Marks : 60

- N.B 1) All Questions carry equal marks.
2) All Questions are compulsory.
3) Figures to the right indicate marks

Q.1 A) Calculate expected rate of return from the following :-

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Economic Condition	Probability	Return	
		A	B
High Growth	30%	25%	21%
Low growth	25%	18%	15%
Stagnation	15%	12%	7%
Recession	30%	8%	-3%

B) Write in detail the contents of cash flows from Investing activities and Financing activities

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OR

Q.1 Prepare a statement showing the working capital Requirement

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Sales	120000
Materials	50% of Sales
Labour	20% of Sales
Expenses	10% of Sales

OTHER DETAILS :-

- 1) Raw Materials are held in stock for 1 month and finished Goods for 2 months.
- 2) Work-in-progress is half a month.
- 3) Suppliers give a credit of 1 month & customers are given a credit of 3 months.
- 4) Sales of Rs.200000 are for cash
- 5) Increase the working capital by 12% for contingencies.

Q.2 From the following Profit and Loss A/c of Anand Ltd., prepare a comparative statement in vertical form.

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Profit & Loss A/c for the years ending on 31st Dec.

Particulars	2004	2005	Particulars	2004	2005
To Opening stock	40	60	By Sales	800	1000
To Purchases	495	620	By Closing Stock	60	80
To wages	125	200			
To Gross Profit	200	200			
	<u>860</u>	<u>1080</u>		<u>860</u>	<u>1080</u>
To Administrative Expenses	50	60	By Gross Profit	200	200
To Selling Expenses	25	30	By Misc. Receipts	10	50
To Finance Expenses	-	10			
To Provision for tax	54	60			
To Proposed Dividend	20	25			

OR

- Q.2** Prepare common size statement in a vertical form from the following Balance Sheet of Rose Ltd.

Balance Sheet as on 31/3/03

Liabilities	Amount	Asset	Amount
Equity share capital	25,0000	Land & Building	250,000
12% Preference share Capital	10,0000	Plant & Machinery	13,000
13.5% Debentures	10,0000	Furniture & Fixtures	40,000
Investment Allowance		Stock	110,000
Reserve	15,000	Patents	35,000
General Reserve	35,000	Loose tools	10,000
Profit & Loss A/c	40,000	Cash & Bank	45,000
Proposed dividend	47,000	Marketable Investments	45,000
Unclaimed dividend	15,000	Prepaid Expenses	15,000
Sundry Creditors	83,000	Preliminary Expenses	20,000
Secured Loans	87,000	Debtors	142,000
Bank Overdraft	25,000		
Per-for taxation	45,000		
	842,000		842,000

- Q.3** Following is the Balance sheet of sunrise Chemicals Ltd. as on 30th September, 2004. 15

Liabilities	Amount	Asset	Amount
Equity share capital	500000	Fixed Assets	600000
Reserve	140000	Investments	100000
10% Debentures	160000	<u>Current Assets</u>	
<u>Current Liabilities</u>		Stock	90000
Creditors	150000	Debtors	200000
Bank Overdraft	50000	Other Current Assets	10000
	1000000		1000000

OTHER DETAILS :-

- 1) Sales for the year Rs. 24,00,000
- 2) Gross Margin is 25%

Calculate the following ratios-

- 1) Current Ratio
- 2) Liquid Ratio
- 3) Capital Gearing Ratio
- 4) Gross Profit Ratio
- 5) Debtors Turnover Ratio

- 8) Proprietary Ratio
- 9) Debt collection Period
- 10) Debt Payment Period

OR

Q.3 Following are the Balance sheets of Panna Ltd.

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Liabilities	2000	2001	Assets	2000	2001
Share capital	500000	600000	Fixed Assets	800000	860000
General Reserve	30000	50000	Acc. depn.	130000	190000
Capital Reserve	-	20000		670000	670000
Profit & Loss A/c	60000	70000	Investments	130000	90000
12% Debentures	300000	250000	Stock	110000	200000
Creditors for Exps.	15000	12000	Sundry Debtors	70000	150000
Creditors for goods	35000	45000	Bills Receivable	30000	40000
Proposed dividend	50000	60000	Prepaid Expenses	18000	27000
Prov. For tax	60000	80000	Misc. Expd.	22000	10000
	1050000	1187000		1050000	1187000

Additional Information :-

- 1) Fixed Assets having original costs of Rs. 90,000 (WDV Rs. 64,000) were sold during 2001 for Rs. 54,000
- 2) Part of the Investments were sold as a profit of Rs.20000 (cost Rs.40000). Profit was transferred to capital Reserve.
You are required to prepare funds flow statement.

Q.4 Write short notes on any **THREE** the following

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- 1) Profit maximisation concept
- 2) Profitability Ratios
- 3) Long term sources of finance (any 2)
- 4) Statement of changes in working capital.
