

Q.1. (a) Fill in the blanks. (Any 8)

1. Goodwill is \_\_\_\_\_ asset. (Tangible/ Intangible)
2. Borrowed funds consist of \_\_\_\_\_. ( Fictitious asset/ Debentures)
3. Information is \_\_\_\_\_ data. (Processed/ Unprocessed)
4. Tactical information is required by \_\_\_\_\_ (Middle level managers/ workers)
5. Primary users of Management accounting are \_\_\_\_\_. (management of Company/ Government)
6. In \_\_\_\_\_ statement, Total capital employed is considered as 100 %. (Common Size/ Comparative)
7. Calls in arrears are deducted from \_\_\_\_\_. (Reserves/ Equity capital)
8. \_\_\_\_\_ is not a part of quick assets. (Stock/ Debtors)
9. Loss on sale of asset is \_\_\_\_\_ expense. (Non-operating/ operating)
10. Goodwill written off is mentioned in \_\_\_\_\_ head in cash flow statement. (Investing Activities/ Operating Activities)

Q.1. (b) State whether the following statements are true or false. (any 7)

(7)

1. Fictitious assets are reduced from Fixed assets.
2. Unsecured loan is a part of Owed capital.
3. The statement of cash flows reflects cash flows during a period of time.
4. Working capital is short term capital.
5. Prepaid Expenses is non quick current asset
6. Cash flow statement has 3 main heads.
7. Common size statement is made up of 1 year only.
8. A ratio expresses a mathematical relation between 2 quantities.
9. Every company needs to have more liquid assets.
10. In Trend Income statement 1<sup>st</sup> year is the base year.

Q.2. Prepare a vertical Trend Balance Sheet of "Bata" co. Ltd. from the following information. (15)

Liabilities	2010	2011	2012	Assets	2010	2011	2012
Equity Share Capital	1600000	160000	1200000	Fixed Assets	1600000	1440000	1120000
Unsecured loans	640000	720000	560000	Cash	80000	80000	80000
General reserve	400000	400000	400000	Debtors	400000	600000	800000
Secured Loan	240000	240000	200000	Stock	640000	600000	540000
Sundry Creditors	640000	360000	180000	Advances	400000	320000	240000

Total	3520000	3080000	2540000	Total	3520000	3080000	2540000
-------	---------	---------	---------	-------	---------	---------	---------

OR

Q.2. From the following P/L account prepare a vertical comparative income statement of XYZ

Company Ltd for 2 years.

(15)

Particulars	2013 (Amt)	2014 (Amt)
Opening stock of raw materials	640000	960000
Purchases	2400000	6400000
Wages	800000	1280000
Factory Expenses	640000	800000
Closing stock of raw materials	960000	2400000
Salaries	80000	96000
Rent	64000	80000
Carriage outward	96000	80000
Delivery expenses	48000	24000
Advertisement expenses	120000	80000
Interest paid	8000	24000
Loss on sale of asset	104000	80000
Tax paid	304000	224000
Sales	4800000	8000000
Interest received on investment	4000	4000

Q.3. From the following particulars prepare a vertical Balance Sheet and Calculate the following

Ratios.

(15)

1. Current Ratio

2. Quick Ratio

3. Proprietors ratio

4. Stock to working capital ratio

5. Debt Equity Ratio

PARTICULARS	AMT
Equity share capital	800000
General Reserve	160000
P/L account (Profit)	240000
Unsecured loan	400000

Secured loan	240000
Goodwill	480000
Land	480000
Plant and Machinery	640000
Cash	44000
Stock	596000
Debtors	160000
Outstanding expenses	240000
Creditors	320000

OR

**Q.3. From the following particulars prepare a vertical Common Size income statement of PQR and XYZ company for the year ending 31<sup>st</sup> March 2014 (15)**

PARTICULARS	AMT of PQR co	Amt of XYZ Co.
Sales	1982880	1652400
Return inward	37800	32400
COGS	1093500	982800
Admin expenses	183600	162000
Selling expenses	356400	324000
Non operating expenses	32640	21600
Tax paid	118800	72900
Proposed dividend	8000	14000
Non operating income	21860	16200

**Q.4. From the following balance sheet prepare a cash flow statement of Usha Co Ltd. (15)**

Liabilities	2015	2016	Assets	2015	2016
Equity Share capital	800000	1000000	Cash Balance	140000	64000
Debenture	400000	320000	Stock	160000	300000
Preference share cap	200000	320000	Debtors	360000	600000
Bank Loan	280000	440000	Machinery	300000	240000
General Reserve	80000	100000	Furniture	40000	32000
P/L A/c	200000	240000	Land	680000	1120000
Creditors	240000	300000	Building	560000	396000
Bills payable	160000	132000	Goodwill	120000	100000
<b>Total</b>	<b>2360000</b>	<b>2852000</b>	<b>Total</b>	<b>2360000</b>	<b>2852000</b>

**Additional information:**

**1. Depreciation:**

**Furniture – Rs. 16000; Machinery – Rs. 48000; Building- Rs. 80000**

**2. Machinery having book value of Rs.76000 was sold for Rs. 60000**

**3. Interim Dividend paid- Rs. 40000**

**4. Income tax paid Rs. 20000**

**Prepare Cash Flow statement.**

**OR**

**Q.4. From the following particulars prepare an estimate of Working capital for “Shreeraj” company ltd.**

**Cost per unit: (15)**

**Raw Material – Rs. 40**

**Wages – Rs. 20**

**Overheads – Rs. 30**

**Profit – Rs. 30**

**Production and sales – 78000 units**

1. Raw material remains in stock for 8 weeks.
2. Creditors give us a credit of 8 weeks.
3. Customers are given time period of 9 weeks.
4. Processing period takes 2 weeks (Wages and Overheads are to be considered half)
5. Finished goods remain in stock for 10 weeks.
6. Time lag in payment of wages 4 weeks.
7. Time lag in payment of overheads 2 weeks.
8. Cash Balance Rs. 105000
9. Assume 52 weeks in a year

**Q.5. Short Notes (Any 3/5) (15)**

1. Explain the Shareholders fund and Borrowed funds.
2. Advantages of Common size statements
3. Limitations of Ratio Analysis
4. Users of Financial Statements.
5. Distinguish between Comparative statement and Common size statement

**OR**

**Q.5. (a) Distinguish between Financial Accounting and Management Accounting (8)**