

Sep/09

IJ9 AAN

Mgt A/C

Time : 2 hours

Marks : 60

- N.B. :** 1) Section I is compulsory.
 2) Solve ANY THREE questions from Section II

SECTION - I

Q. 1 Explain the following : (3 Marks each)

- 1) Marginal Costing
- 2) Expenses Ratio
- 3) Current Liabilities
- 4) Qualities of ideal Financial statement
- 5) Trend Analysis

Q.2 Following information is given in respect of product 'Delta' manufactured by Best Luck Ltd. (15)

- i) Actual sales of the product 1,60,000 units.
- ii) Fixed cost is Rs. 8,00,000
- iii) Selling price per unit is Rs. 40
- iv) Variable cost per unit is Rs. 20

You are required to calculate the following :-

- i) P/V Ratio
- ii) Breakeven point (units)
- iii) Breakeven point (Sales in Rs.)
- iv) Desired sales to earn desired profit of Rs. 30,00,000.
- v) Margin of safety (in units and in Rs.)

SECTION - II

Q.3 Following information is given in respect of R.K. Ltd. for the year ended on 31st March 2009. (10)

| Particulars | Rs. |
|--------------------------|----------|
| Stock (as on 31-03-2009) | 4,00,000 |
| Debtors | 85,000 |
| Cash | 15,000 |
| Creditors | 1,00,000 |
| Bills Payable | 50,000 |
| Bank overdraft | 20,000 |
| Outstanding expenses | 30,000 |
| Total purchases | 4,65,000 |
| Cash Purchases | 15,000 |
| Credit Sales | 6,20,000 |
| Gross Profit | 1,55,000 |

You are required to calculate the following.

- i) Current Ratio
- ii) Liquid Ratio
- iii) Operating Ratio
- iv) Gross profit Ratio
- v) Stock Turnover Ratio

- Q.4)** Compute for Star Ltd. the operating cycle period for 2009 assuming 360 days per year, considering average of raw materials, finished goods, Debtors and creditors only.

(6)

| Particulars | Rs. |
|-----------------------------|-----------|
| Closing balance | |
| Raw Material | 1,25,000 |
| Work-in-Progress | 87,500 |
| Finished Goods | 1,31,250 |
| Debtors | 2,00,000 |
| Creditors | 1,00,000 |
| Figures for the year | |
| Purchases | 6,00,000 |
| Cost of goods sold | 8,75,000 |
| Sales | 10,00,000 |

- ii) Explain any four factors determining working capital.

(4)

- Q.5** From the following data of Sun Ltd., Prepare comparative Balance sheet in vertical format as at 31st March 2008 and 31st March 2009.

Balance sheet as at 31st March....

(10)

| Liabilities | 31-03-2008 | 31-03-2009 | Assets | 31-03-2008 | 31-03-2009 |
|----------------------|------------|------------|-------------------|------------|------------|
| | Rs. | Rs. | | Rs. | Rs. |
| Equity Share Capital | 2,80,000 | 3,20,000 | Land & Building | 2,20,000 | 3,20,000 |
| Profit & Loss A/c | 80,000 | 80,000 | Plant & Machinery | 1,72,000 | 2,00,000 |
| Debentures | 1,20,000 | 2,00,000 | Stock | 1,00,000 | 20,000 |
| Creditors | 40,000 | 12,000 | Debtors | 60,000 | 40,000 |
| Bank overdraft | 32,000 | 16,000 | Cash | 8,000 | 60,000 |
| Outstanding Expenses | 8,000 | 12,000 | | | |
| | 5,60,000 | 6,40,000 | | 5,60,000 | 6,40,000 |

- Q.6** From the following Income statement of Jupiter Ltd. Prepare a common size Income statement in vertical format. (10)

Profit & Loss Account for the year ended.

| Particulars | Amount in Rs. | Particulars | Amount in Rs. |
|----------------------------|-----------------|-------------------------|-----------------|
| To Opening Stock | 30,000 | By Sales | 5,00,000. |
| To Purchases | 3,10,000 | By Closing Stock | 40,000 |
| To Wages | 1,00,000 | | |
| To Gross Profit | 1,00,000 | | |
| | <u>5,40,000</u> | | <u>5,40,000</u> |
| To Administrative Expenses | 30,000 | By Gross Profit | 1,00,000 |
| To Selling Expenses | 15,000 | By Non-operating Income | 25,000 |
| To Finance Expenses | 5,000 | | |
| To Provision For Tax | 30,000 | | |
| To Proposed Dividend | 12,500 | | |
| To Net Profit | 32,500 | | |
| | <u>1,25,000</u> | | <u>1,25,000</u> |

- Q.7** Write answer ANY TWO of the followings. (10)
- Explain the users of Financial Accounting
 - Define Management Accounting in detail.
 - Explain Operating, Investing and Financing Activities with respect to cash Flow statement. (as per AS-3).
 - Explain cash flow statement and its importance.
 - Explain Operating cycle concept.
 - Explain Debt - Equity Ratio and Capital Gearing Ratio.

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