

**Q.1 Attempt any 2 questions**

(15)

- a) The following is the balance sheet of Virat Ltd. is given for the year 2015. You are required to present it in Common Size Vertical Balance Sheet.

(7.5)

**Balance Sheet**

Liabilities	2015 Rs.	Assets	2015 Rs.
Equity Shares	35,000	Patents	30,000
Preference Share	20,000	Plant & Machinery	10,000
10% Loan	15,000	Inventories	15,500
Bills Payable	13,000	Debtors	14,600
Bank Overdraft	4,000	Bank	16,900
<b>Total</b>	<b>87,000</b>	<b>Total</b>	<b>87,000</b>

- b) From the following Profit & Loss A/c of Ajinkya Ltd. for the years 2014 & 2015. You are required to prepare it in Comparative Income Statements.

(7.5)

**Profit & Loss A/c**

Particulars	2014	2015	Particulars	2014	2015
To Opening Stock	11,000	13,000	By Sales	80,000	84,000
To Purchases	20,000	30,000	By Closing Stock	13,000	10,000
To Rent	8,000	6,000			
To Advertisement	7,000	12,000			
To Finance Exp	4,000	5,000			
To Net Profit	43,000	28,000			
<b>Total</b>	<b>93,000</b>	<b>94,000</b>	<b>Total</b>	<b>93,000</b>	<b>94,000</b>

- c) List out the items under the head 'Non-Current Investments' of a company as per Revised Schedule VI requirements.

(7.5)

**Q.2 Attempt any 2 questions**

(15)

- a) Following is the Balance Sheet Sachin Ltd. for the year ending 31<sup>st</sup> March 2015:

(7.5)

Liabilities	Amount Rs.	Assets	Amount Rs.
Equity Share Capital	10,00,000	Land & Building	7,20,000
5% Debentures	4,00,000	Plant & Machinery	5,00,000
Bank Loan	3,00,000	Cash in Hand	50,000
Sundry Creditors	1,50,000	Cash at Bank	1,10,000
Bills Payable	1,00,000	Sundry Debtors	1,70,000
Outstanding Expenses	10,000	Bills Receivables	2,10,000
		Prepaid Expenses	2,00,000
<b>Total</b>	<b>19,60,000</b>	<b>Total</b>	<b>19,60,000</b>

You are required to Calculate

1. Current Ratio
2. Quick Ratio
3. Proprietary Ratio
4. Stock to Working Capital.

b) Extracts from financial accounts of Rahul Ltd. are given below:

(7.5)

	Year - I		Year - II	
	Assets Rs	Liabilities Rs	Assets Rs	Liabilities Rs
Stock	20,000		40,000	-
Debtors	60,000		60,000	-
Payment in advance	4,000		-	-
Cash in Hand	40,000		30,000	-
Sundry Creditors	-	50,000	-	60,000
Acceptances	-	30,000	-	24,000
Bank Overdraft	-	-	-	10,000
<b>Total Rs.</b>	<b>1,24,000</b>	<b>80,000</b>	<b>1,30,000</b>	<b>94,000</b>

Sales amounted to Rs 7,00,000 in the first year and Rs. 6,00,000 in the second year.

You are required to Calculate

1. Current Ratio
2. Quick Ratio
3. Debtors Collection Period
4. Stock to Working Capital.

c) Explain in brief Debtor Turnover Ratio and Creditor Turnover Ratio.

(7.5)

Q.3 Attempt any 2 questions

(15)

a) Following is the Balance Sheet of Ashwin Ltd., as on 31<sup>st</sup> March, 2014 and 2015.

(7.5)

Prepare Cash Flow Statement as per indirect method.

Liabilities	2014	2015	Assets	2014	2015
	Rs.	Rs.		Rs.	Rs.
Share Capital	70,000	74,000	Goodwill	10,000	5,000
Debentures	12,000	6,000	Premises	20,000	30,000
Trade Creditors	10,400	11,900	Stock	47,200	42,700
Reserve for doubtful debts	700	800	Debtors	16,600	17,700
Profit & Loss a/c	10,000	10,400	Cash	9,300	7,700
<b>Total</b>	<b>1,03,100</b>	<b>1,03,100</b>	<b>Total</b>	<b>1,03,100</b>	<b>1,03,100</b>

b)

Prepare Cash Flow Statement of Kumar Ltd., as per indirect method from the following Balance Sheet as on 31<sup>st</sup> March.

(7.5)

Liabilities	2014	2015	Assets	2014	2015
	Rs.	Rs.		Rs.	Rs.
Share Capital	3,00,000	4,00,000	Machinery	50,000	60,000
Creditors	1,00,000	70,000	Furniture	10,000	15,000
Profit & Loss a/c	15,000	30,000	Stock	85,000	1,05,000
			Debtors	1,60,000	1,50,000
			Cash	1,10,000	1,70,000
<b>Total</b>	<b>4,15,000</b>	<b>5,00,000</b>	<b>Total</b>	<b>4,15,000</b>	<b>5,00,000</b>

c) Write a Short Notes on Non-cash items and cash flow from operation.

(7.5)

**Q.4 Attempt any 2 questions**

(15)

- a) From the following information pertaining to Anil Ltd. Prepare statement showing the working capital requirements: (7.5)

Particulars	Rs.	Rs.
Sales		7,20,000
<b>Less:</b>		
Raw Material	2,16,000	
Direct Labour	2,88,000	
Overheads	1,44,000	6,48,000
<b>Net Profit</b>		72,000

It is estimated that:

- (a) Raw materials are carried in stock for 1 month and finished goods for ½ month.  
 (b) The production cycle takes one month.  
 (c) One month's credit is granted both for purchase of raw materials and sale of finished goods.  
 (d) Production and overhead's are even throughout the year.
- b) A Prasad Ltd., company has prepared the following projections for a year: (7.5)

Sales	21,000 units
Selling Price per unit	Rs 40
Variable Cost per unit	Rs 25
Fixed Cost	Rs 2,10,000
Credit period allowed	One month

The Company proposes to increase the credit period allowed to its customer from one month to two months. It is expected that the changes in the policy will increase the sales to 22,680 units (i.e. expected sales). Pre tax return on investment is 25%.

You are required to examine and advise whether the proposed Credit policy should be implemented or not.

- c) What are the factors affecting working capital. (7.5)

- Q.5 From the following Balance Sheet of Kapil Ltd. As on 31<sup>st</sup> Mar, 2014 & 2015. You are required to prepare a Comparative Balance Sheet in Vertical form and give your comment on them. (15)

Liabilities	2014	2015	Assets	2014	2015
Preference Shares	1,00,000	2,00,000	Fixed Assets	7,00,000	10,00,000
Equity Share	4,00,000	5,00,000	Investments	1,00,000	1,20,000
General Reserve	1,35,000	1,71,500	Stock	1,50,000	1,80,000
12% Debentures	2,00,000	2,00,000	Debtors	2,36,000	2,44,000
Bank Overdraft	50,000	80,000	Cash	24,000	2,500
Sundry Creditors	1,50,000	1,25,000			
Provision for Taxation	75,000	1,20,000			
Proposed Dividend	1,00,000	1,50,000			
<b>Total Rs.</b>	<b>12,10,000</b>	<b>15,46,500</b>	<b>Total Rs.</b>	<b>12,10,000</b>	<b>15,46,500</b>