



Date: 20-11-2024

Dept. No.

Max. : 100 Marks

Time: 09:00 am-12:00 pm

**SECTION A - K1 (CO1)**

<b>Answer ALL the Questions</b>	<b>(10 x 1 = 10)</b>
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**1. Fill in the blanks**

- a) ----- helps in decision making.
- b) To find the short term financial stability, ----- ratio was used.
- c) If the company has neither profit nor loss then it is in ----- level.
- d) Budget that starts from scratch refers to -----
- e) Increase in current asset will ----- cash.

**2. Match the following**

- a) Trend analysis is significant for - Budgeting
- b) A key factor is - changes in working capital
- c) Proportion between two variables - profit planning
- d) Fund flow statement - limiting factor
- e) Policy formulation - Ratio Analysis

**SECTION A - K2 (CO1)**

<b>Answer ALL the Questions</b>	<b>(10 x 1 = 10)</b>
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**3. True or False**

- a) Presentation of financial data is for management decision making.
- b) Capital gearing ratio is for calculating financial position of the company.
- c) Margin of safety is the point when the company is below break even level.
- d) To forecast the cash requirement flexible budget is prepared.
- e) Fund flow statement is same to cash flow statement.

**4. Answer the following**

- a) Trend Analysis
- b) Capital Gearing Ratio
- c) Margin of safety.
- d) Fund.
- e) Budget.

### SECTION B - K3 (CO2)

**Answer any TWO of the following in 100 words each.**

**( 2 x 10 = 20 )**

5.	Explain various techniques in Financial Statement Analysis																												
6.	The information about Raj & Co., are given below: (a) Profit-volume ratio 20% (b) Fixed cost Rs.36,000 (c) Selling price per unit Rs.150 Calculate: (a) B.E.P. (in Rs.) (b) B.E.P. (in units) (c) Variable cost per unit (d) Profit on sales of Rs.4,00,000																												
7.	The following details are available for Akash limited You are required to prepare statement of changes in working capital																												
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: left;">1/4/99</th> <th style="text-align: left;">31/3/2000</th> </tr> </thead> <tbody> <tr> <td>Bills payable</td> <td>5,000</td> <td>8,000</td> </tr> <tr> <td>Creditors</td> <td>12,000</td> <td>16,000</td> </tr> <tr> <td>Outstanding expenses</td> <td>2,000</td> <td>1,000</td> </tr> <tr> <td>Bills receivable</td> <td>20,000</td> <td>18,000</td> </tr> <tr> <td>Debtors</td> <td>40,000</td> <td>60,000</td> </tr> <tr> <td>Prepaid expenses</td> <td>2,000</td> <td>3,000</td> </tr> <tr> <td>Accrued incomes</td> <td>5,000</td> <td>8,000</td> </tr> <tr> <td>Income received in advance</td> <td>2,000</td> <td>1,000</td> </tr> </tbody> </table>		Particulars	1/4/99	31/3/2000	Bills payable	5,000	8,000	Creditors	12,000	16,000	Outstanding expenses	2,000	1,000	Bills receivable	20,000	18,000	Debtors	40,000	60,000	Prepaid expenses	2,000	3,000	Accrued incomes	5,000	8,000	Income received in advance	2,000	1,000
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8.	Explain various classifications of budget.																												

### SECTION C – K4 (CO3)

**Answer any TWO of the following in 100 words each.**

**( 2 x 10 = 20 )**

9.	A cycle manufacturing company finds that while it costs Rs 6.25 each to make component X, the same is available in the market at Rs 5.75 each, with an assurance of continuous supply . The break down of costs is													
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Depreciation and other fixed cost	1.25													
Total cost	6.25													
	(i). Should you Make or Buy the component. (ii). What will be your decision if the supplier offer the component at Rs 4.85 each?													

10.	The net worth of a firm is Rs. 2,00,000. Other details																			
	Current debt to total debt	0.40																		
	Total debt to owners equity	0.60																		
	Fixed assets to owners equity	0.80																		
	Liquid ratio	2 times																		
Calculate (1) Total current assets (2) Stock (3) Total assets, (4) Current debt																				
11.	The expenses for the production of 5,000 units are as follows																			
	<table border="1"> <thead> <tr> <th>Particulars</th><th>Rate (p/u)</th></tr> </thead> <tbody> <tr> <td>Materials</td><td>50</td></tr> <tr> <td>Labour</td><td>20</td></tr> <tr> <td>Variable overheads</td><td>15</td></tr> <tr> <td>Fixed overheads (Rs 50,000)</td><td>10</td></tr> <tr> <td>Administrative expenses (5% variable)</td><td>10</td></tr> <tr> <td>Selling expenses (20% fixed)</td><td>6</td></tr> <tr> <td>Distribution expenses (10% fixed)</td><td>5</td></tr> <tr> <td>Total cost</td><td>116</td></tr> </tbody> </table>		Particulars	Rate (p/u)	Materials	50	Labour	20	Variable overheads	15	Fixed overheads (Rs 50,000)	10	Administrative expenses (5% variable)	10	Selling expenses (20% fixed)	6	Distribution expenses (10% fixed)	5	Total cost	116
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Total cost	116																			
	Prepare budget for 7,000 units																			
12.	Explain procedure in preparation of Fund Flow Statement.																			

#### **SECTION D – K5 (CO4)**

**Answer any ONE of the following in 250 words** **(1 x 20 = 20)**

13.	From the following information prepare a statement of Proprietor's Fund of XYZ Co Ltd.															
	For the year ended 31/12/05, and find out															
	(i). Current Assets															
	(ii). Current Liabilities															
	(iii). Stocks															
	(iv). Fixed Assets															
	<table border="1"> <thead> <tr> <th>Particulars</th><th>Values</th></tr> </thead> <tbody> <tr> <td>Current ratio</td><td>2.5</td></tr> <tr> <td>Liquid ratio</td><td>1.5</td></tr> <tr> <td>Fixed assets to proprietors fund</td><td>0.75</td></tr> <tr> <td>Working capital</td><td>60,000</td></tr> <tr> <td>Reserves and surplus</td><td>40,000</td></tr> <tr> <td>Bank overdraft</td><td>10,000</td></tr> </tbody> </table>		Particulars	Values	Current ratio	2.5	Liquid ratio	1.5	Fixed assets to proprietors fund	0.75	Working capital	60,000	Reserves and surplus	40,000	Bank overdraft	10,000
Particulars	Values															
Current ratio	2.5															
Liquid ratio	1.5															
Fixed assets to proprietors fund	0.75															
Working capital	60,000															
Reserves and surplus	40,000															
Bank overdraft	10,000															
	There is no long-term loan or fictitious asset.															
14.	“Management Accounting serves as an aid for efficient management decision making”- Discuss															

**SECTION E – K6 (CO5)**

**Answer any ONE of the following in 250 words**

**(1 x 20 = 20)**

15. From the following Balance sheets 'A' Ltd., as on 31 December 2005 and 2006 you are required to prepare:

(a) Schedule of changes in working capital.  
 (b) Funds flow statement.

**Balance sheets**

Liabilities	2005 Rs.	2006 Rs.	Assets	2005 Rs.	2006 Rs.
Share capital	1,00,000	1,00,000	Goodwill	12,000	12,000
General reserve	14,000	18,000	Building	40,000	36,000
P&L A/C	16,000	13,000	Plant	37,000	36,000
Sundry creditors	8,000	5,400	Investments	10,000	11,000
Bills payable	1,200	800	Stock	30,000	23,400
Provision for tax	16,000	18,000	Bills Receivable	2,000	3,200
Provision for doubtful debts	400	600	Debtors	18,000	19,000
			Chas at bank	6,600	15,200
	1,55,600	1,55,800		1,55,600	1,55,800

Additional information is given

(1) Depreciation : plant Rs.4,000, Building Rs.4,000  
 (2) Provision for taxation of Rs.19,000 was made during the year 2006.  
 (3) Interest dividend of Rs.8,000 was paid during the year 2006.

16. A new started pushpak Co., wishes to prepare from January. Prepare a cash budget from the 6 months from the following estimated revenue and expenses.

Months	Total sales	Materials Rs.	Wages Rs.	Production overhead - Rs.	Selling & Distribution overheads - Rs.
January	20,000	20,000	4,000	3,200	800
February	22,000	14,000	4,400	3,300	900
March	24,000	14,000	4,600	3,300	800
April	26,000	12,000	4,600	3,400	900
May	28,000	12,000	4,800	3,500	900
June	30,000	16,000	4,800	3,600	1,000

Cash balance on 1st January was Rs.10,000. A new machine is to be installed at Rs.30,000 on credit, to be repaid by two equal instalments in March and April.

Sales commission at 5% on total sales is to be paid within the month following actual sale.

Rs.10,000 being the amount of 2nd call may be received in March. Share premium amounting to Rs.2,000 is also obtained with 2nd call.

Period of credit allowed by suppliers -2 months

Period of credit allowed to customers -1 month

Delay in payment of wages –  $\frac{1}{2}$  month

Assume cash sales to be 50% of the total sales.

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