

Program: S.Y.B.Com (A&F) Semester: IV Program Code: UGAF03
 Course: Management Accounting Course Code: NUAF402

Duration: 2 Hour Examination Pattern: NEP Autonomous External Max. Marks: 60

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Draw neat diagrams wherever necessary.

Examination:
REGULAR

Q.1	(a)	Fill in the blanks with an appropriate answer from the alternatives given (Any 8).	[08]	Course Outcome	Knowledge Level
	i.	Which of the following ratios is NOT a profitability ratio?		CO1,CO2 CO3,CO4 CO5	L1
	a.	Return on Assets (ROA)			
	b.	Return on Equity (ROE)			
	c.	Current Ratio			
	d.	Net Profit Margin			
	ii.	What is Gross Working Capital?			
	a.	Current Asset – Current Liability			
	b.	Current Liability only			
	c.	Current Asset only			
	d.	None of the above			
	iii.	Owners' funds are equal to _____			
	a.	None of the above			
	b.	Total assets – current liability – loan fund			
	c.	Fixed assets + investment + working capital			
	d.	Capital employed			
	iv.	Cash payments of salaries and wages to employees will be shown in the cash flow statement as _____			
	a.	Operating activity			
	b.	Investing activity			
	c.	Financing activity			
	d.	Cash or cash equivalent			
	v.	Which of the following is an example of a financing activity?			
	a.	Purchase of equipment			
	b.	Increase in accounts receivable			
	c.	Sale of a building			
	d.	Payment of dividends			
	vi.	Operating ratio is _____			
	a.	Composite ratio			
	b.	Balance sheet ratio			
	c.	Revenue statement ratio			
	d.	None of the above			

	vii.	Debt equity ratio is _____																	
		a.	Composite ratio	b.	Revenue statement ratio														
		c.	Balance sheet ratio	d.	None of the above														
	viii.	In common size income statement raw material component amounting to Rs. 4,50,000 was 15% of the turnover. Then the administrative expenses which are 10% of the turnover would be																	
		a.	Rs. 4,80,000	b.	Rs. 3,50,000														
		c.	Rs. 3,00,000	d.	Rs. 4,90,000														
	ix.	Generally quick liabilities mean all current liabilities excluding																	
		a.	Bank time deposits	b.	Outstanding wages														
		c.	None of the above	d.	Bank overdraft														
	x.	_____ is calculated to find out the movement of inventory.																	
		a.	Debtors turnover ratio	b.	Stock turnover ratio														
		c.	Creditors turnover ratio	d.	All of the above														
	(b)	State whether the following statements are true or false (Any 7).			(07)														
		i.	Stock Turnover ratio should always be negative.			CO1,CO2 CO3,CO4 CO5	L1												
		ii.	Return on Equity is a composite ratio.																
		iii.	Capital employed includes net worth of a company and its borrowed funds.																
		iv.	Owed funds are internal source of funds.																
		v.	Debentures are borrowed funds.																
		vi.	Goodwill is a fictitious asset.																
		vii.	Depreciation is a non-cash expense.																
		viii.	Bank overdraft is a long-term liability.																
		ix.	Sale of land in cash flow is a financing activity.																
		x.	Inventory is a quick asset.																
Q. 2		Attempt any ONE of the following.			[15]	Course Outcome	Knowledge Level												
	(a)	Following is a profit and loss account summary of well-balanced limited for the year ended 31st March 2020.				CO2	L5												
		<table border="1"> <thead> <tr> <th>Particulars</th> <th>Amount</th> <th>Particulars</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>To Opening stock</td> <td>700000</td> <td>By Sales</td> <td>2000000</td> </tr> <tr> <td>To Purchase</td> <td>900000</td> <td>By Closing stock</td> <td>600000</td> </tr> </tbody> </table>						Particulars	Amount	Particulars	Amount	To Opening stock	700000	By Sales	2000000	To Purchase	900000	By Closing stock	600000
Particulars	Amount	Particulars	Amount																
To Opening stock	700000	By Sales	2000000																
To Purchase	900000	By Closing stock	600000																

To Wages	150000	By Dividend Income	10000
To Factory Exp	350000	By Profit on sale of furniture	20000
To Office salary	25000		
To Office rent	39000		
To Postage	5000		
To Director fees	6000		
To Salesman salary	12000		
To Advertising	18000		
To Delivery Expenses	20000		
To Debenture Interest	20000		
To Depreciation – Office furniture	10000		
To Depreciation – Plant	30000		
To Depreciation – Delivery Van	20000		
To loss on sale of van	5000		
To Income tax	175000		
To Net profit	145000		
Total	2630000	Total	2630000

Prepare Vertical Income Statement.

OR

- (b) Prepare comparative balance sheet in a vertical format from the given data for suitable analysis:

Liabilities	As on 31.03.2020	As on 31.12.2021
Equity Share capital	22,00,000	22,00,000
10% Pref. Share capital	24,00,000	24,00,000
General reserves	16,00,000	19,60,000
15% Debentures	8,00,000	12,00,000
Creditors	12,00,000	16,00,000
Bills payable	4,00,000	6,00,000
Tax Payable	8,00,000	12,00,000
Total	42,00,000	50,80,000

Assets	As on 31.03.2020	As on 31.12.2021
Building	8,00,000	6,80,000
Land	4,00,000	4,00,000
Plant	12,00,000	10,80,000
Furniture	4,00,000	5,60,000
Stock	6,00,000	10,00,000
Debtors	5,00,000	9,00,000
Cash	3,00,000	4,60,000
Total	42,00,000	50,80,000

CO2

L5

Q. 3	Attempt any ONE of the following.	[15]	Course Outcome	Knowledge Level																																							
	<p>(a) Suraj Garments Company Ltd. is a famous manufacturer and exporter of garments to the European countries. You are required to prepare working capital requirements for the next year 2022-23 after considering the following information:</p> <ol style="list-style-type: none"> 1. Production during the current year was 3,00,000 units. The same level of activity is expected to be maintained during the next year 2022-23. 2. The expected ratio of cost to selling price are: <ul style="list-style-type: none"> • Raw material 40% • Direct wages 20% • Overheads 20% 3. The raw materials ordinarily remain in store for three months before production. 4. Every unit of production remains in the process for two months. 5. Finished goods remain in warehouse for 3 months. 6. Credit allowed by the creditor is four months from the date of the delivery of raw material. 7. Credit given to debtors is three months from the date of dispatch. 8. The estimated balance of cash to be held is Rs. 1,50,000. 9. Time lag in payment of wages and overhead is 1 month. 10. Selling price would be Rs. 100 per unit for the year 2022-23. 11. During the processing labour and overheads accrue evenly. 		CO5	L3																																							
	OR																																										
	<p>(b) Following are the summary balance sheet of Rajshree Limited.</p> <table border="1" data-bbox="211 1230 883 1734"> <thead> <tr> <th style="text-align: center;">Liabilities</th> <th style="text-align: center;">2017 (₹)</th> <th style="text-align: center;">2016 (₹)</th> </tr> </thead> <tbody> <tr> <td>Share Capital</td> <td style="text-align: right;">7,00,000</td> <td style="text-align: right;">6,00,000</td> </tr> <tr> <td>General Reserve</td> <td style="text-align: right;">2,00,000</td> <td style="text-align: right;">1,50,000</td> </tr> <tr> <td>Profit & Loss A/c</td> <td style="text-align: right;">2,80,000</td> <td style="text-align: right;">1,70,000</td> </tr> <tr> <td>14% Debenture (Issued for purchase of fixed assets)</td> <td style="text-align: right;">2,00,000</td> <td style="text-align: center;">—</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">13,80,000</td> <td style="text-align: right;">9,20,000</td> </tr> <tr> <th style="text-align: center;">Assets</th> <th style="text-align: center;">2017 (₹)</th> <th style="text-align: center;">2016 (₹)</th> </tr> <tr> <td>Fixed Assets</td> <td style="text-align: right;">6,50,000</td> <td style="text-align: right;">4,00,000</td> </tr> <tr> <td>Debtors</td> <td style="text-align: right;">3,50,000</td> <td style="text-align: right;">2,00,000</td> </tr> <tr> <td>Stock</td> <td style="text-align: right;">2,50,000</td> <td style="text-align: right;">1,50,000</td> </tr> <tr> <td>Cash</td> <td style="text-align: right;">1,30,000</td> <td style="text-align: right;">1,00,000</td> </tr> <tr> <td>Underwriting Commission</td> <td style="text-align: center;">—</td> <td style="text-align: right;">70,000</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">13,80,000</td> <td style="text-align: right;">9,20,000</td> </tr> </tbody> </table> <p>Assuming the depreciation for the year to be ₹50,000 and interim dividend paid during the year to be 5% on opening capital.</p> <p>Prepare cash flow statement</p>	Liabilities	2017 (₹)	2016 (₹)	Share Capital	7,00,000	6,00,000	General Reserve	2,00,000	1,50,000	Profit & Loss A/c	2,80,000	1,70,000	14% Debenture (Issued for purchase of fixed assets)	2,00,000	—	Total	13,80,000	9,20,000	Assets	2017 (₹)	2016 (₹)	Fixed Assets	6,50,000	4,00,000	Debtors	3,50,000	2,00,000	Stock	2,50,000	1,50,000	Cash	1,30,000	1,00,000	Underwriting Commission	—	70,000	Total	13,80,000	9,20,000		CO4	L5
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	<p>(a) From the following particulars</p> <table border="1" data-bbox="221 279 743 806"> <thead> <tr> <th>Particulars</th> <th>₹</th> </tr> </thead> <tbody> <tr> <td>Equity Share Capital</td> <td>20,00,000</td> </tr> <tr> <td>General Reserve</td> <td>3,20,000</td> </tr> <tr> <td>Profit and Loss Account (Profit)</td> <td>4,80,000</td> </tr> <tr> <td>Unsecured Loan</td> <td>2,00,000</td> </tr> <tr> <td>Secured Loan</td> <td>4,80,000</td> </tr> <tr> <td>Goodwill</td> <td>7,60,000</td> </tr> <tr> <td>Land</td> <td>9,60,000</td> </tr> <tr> <td>Plant and Machinery</td> <td>10,80,000</td> </tr> <tr> <td>Cash</td> <td>88,000</td> </tr> <tr> <td>Stock</td> <td>8,12,000</td> </tr> <tr> <td>Debtors</td> <td>4,20,000</td> </tr> <tr> <td>Outstanding Expenses</td> <td>4,80,000</td> </tr> <tr> <td>Creditors</td> <td>6,40,000</td> </tr> <tr> <td>Tax paid in Advance</td> <td>4,80,000</td> </tr> </tbody> </table> <p>Prepare a vertical Balance Sheet and calculate the following ratios:</p> <ul style="list-style-type: none"> • Current Ratio • Quick Ratio • Proprietors' Ratio • Stock to Working Capital Ratio • Debt Equity Ratio 	Particulars	₹	Equity Share Capital	20,00,000	General Reserve	3,20,000	Profit and Loss Account (Profit)	4,80,000	Unsecured Loan	2,00,000	Secured Loan	4,80,000	Goodwill	7,60,000	Land	9,60,000	Plant and Machinery	10,80,000	Cash	88,000	Stock	8,12,000	Debtors	4,20,000	Outstanding Expenses	4,80,000	Creditors	6,40,000	Tax paid in Advance	4,80,000		CO3	L3
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	<p>(b) Short Notes (Any 3)</p> <ol style="list-style-type: none"> a) Financing Activities of the cash flow b) Comparative analysis statement c) Limitations of ratio analysis d) Creditors Velocity Ratio e) Return on Equity 		CO1,CO2 CO3,CO4 CO5	L2																														

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