

ATKT-March-2019.

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"SYBBI"

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Subject: Management Accounting.

Date :- 29-03-2019.

Q.P code :- 64125.

Q.1(a) True or False :- (any 8) (8 marks)

1. True

2. True

3. True

4. True

5. False

6. False.

7. True

8. True

9. True

10. True.

Q.1(b) Match the columns :- (any 7) (7 marks)

Ans:- 1.) Walter Model - Dividend Policy

2.) WIP - Semi-finished Goods

3.) Proprietors Ratio - Solvency Ratio.

4.) Gross Profit Ratio - Profitability Ratio

5.) Unclaimed Dividend - Current Liability

6.) Social Wealth - Eq. share capital

7.) Four Part Theory - Working Capital Mgt-

8.) Stock split up - Bonus Shares

9.) Issue of Bonus shares - Companies Act 2013

10.) Patents written off - Non-Cash Expenses

Q.2 Vertical Balance Sheet and Ratios :-I Sources of funds :-

Total funds (owned)	343,000
Borrowed funds	150,000.
Total capital Employed	<u>493,000.</u>

II Application of funds :-

1) Fixed Assets.	478500.
2) a) Current Assets. 82500	
b) current liabilities 68500	
→ Working Capital.	<u>14,500.</u>
Total funds Utilised	<u>493,000</u>

Vertical Income Statement:-

Sales	1,000,000.
(-) COGS	750,000
Gross profit	250,000.
(-) Op. Exp's.	138,000
Op. profit	112,000.
(-) int	12,000
NPBT	1,00,000.
(-) tax	35,000
NPAT	<u>65,000</u>

Ratios :-

- 1) Return on Capital Employed = 22.72 %
- 2) Debtors Turnover Ratio = 33.33 %
- 3) Current Ratio = 1.21 .

OR
Q.2 (a). Vertical Income Statement & Ratios (15 marks)

Sales	75000
(-) COGS.	60000
Gross Profit	15000
(-) Op. Exp's	7000
EBIT	8000
(-) Interest	1000
<u>Net Profit</u>	<u>7000</u>

- Ratios :-
- 1) Gross Profit Ratio = 20 %
 - 2) Admin Exp's Ratio = 6.66 %
 - 3) Stock Turnover Ratio = 3.75 times

Q.2 (b)

Working Note :-

(a) Debt Eq. Ratio = 1:2
 ∴ Debt = ₹ 375,000.

(b) Total Assets Turnover Ratio = 2/5
 ∴ Sales = ₹ 49,00,000.

(c) Inventory Turnover Ratio = 9
 ∴ Stock = ₹ 490,000.

(d) Acid Test Ratio = $\frac{Q.A}{C.L.}$
 ∴ Q.A = 10,00,000.

(e) Average Collection period = 45 days.
 ∴ Debtors = ₹ 612,500.

(f) Gross Profit Margin = 10 %
 ∴ Gross Profit = ₹ 490,000.

Q2 (b) contd...

New Balance Sheet

Liabilities	Amt	Assets	Amt
Share capital	30,00,000.	Fixed Assets	10,76,000.
Reserves & surplus.	45,00,000.	Debtors.	6,12,500.
Loan.	37,50,000	Cash.	3,87,500.
Current Liabilities	10,00,000.	Stock.	4,90,000.
	<u>122,50,000</u>		<u>122,50,000</u>

Q3) (a) Maximum Permissible Bank Finance.

Method I :-

(8 marks)

$$0.75 (CA - CL)$$

$$0.75 (600 - 360)$$

$$\therefore \text{MPBF} = ₹ 180 \text{ Lakhs}$$

Method :- II

$$0.75 CA - CL.$$

$$(0.75 \times 600) - 360.$$

$$450 - 360.$$

$$\therefore \text{MPBF} = ₹ 90 \text{ Lakhs}$$

Method III

$$0.75 (CA - CCA) - CL.$$

Since Core Current Assets are not given,
MPBF is same as Method II

Q3) (1) Operating Cycle :-

(07 marks)

Rima Co. Ltd :-

$$\begin{aligned} O.C &= R + W + F + D - C \\ &= 75 + 36 + 54 + 72 - 60 \\ &= \underline{177 \text{ days}} \end{aligned}$$

Siya Co. Ltd :-

$$\begin{aligned} O.C &= 72 + 30 + 40 + 90 - 18 \\ &= \underline{184 \text{ days}} \end{aligned}$$

OR

Q.3 Cost & Sales per month :-

(15 marks)

Material	=	60,000
Labour	=	45,000.
Expenses	=	15,000.
Total cost	=	120,000.
Profit	=	30,000.
Sales	=	150,000.

Estimated W.C Statement

* Current Assets :-

1) Stock	RM	60,000
	WIP	90,000
	F.G	60,000.
2) Debtors.		225,000.
3) Cash.		25,000.
Total Current Assets.		460,000.

* Current liabilities.

= 120,000.

∴ Working Capital = 340,000

Q.4 (a)

(05 marks)

Year	DPS = 0.5 x EPS	DPS.
2008	0.5 x 20	10
2009	0.5 x 19	9.5
2010	0.5 x 16	8
2011	0.5 x 15	7.5
2012	0.5 x 16	8
2013	0.5 x 12	6
2014	0.5 x 6	3
2015	0.5 x 9	4.5
2016	0.5 x 3	1.5
2017	0.5 x 2	1.00

Q.4 (b)

Walter Model :-

(7 marks)

$$\text{Market Value of firm} = \frac{D + \frac{R_a}{R_c} (E - D)}{R_c}$$

$$= \frac{3 + 0.20 (5 - 3)}{0.16}$$

$$\therefore V_c = \underline{\underline{\text{₹ } 34.37}}$$

Gordon Model :-

$$\text{Market Value of Firm} = \frac{d_0 (1+g)}{k_e - g}$$

$$= \frac{3 (1+0)}{0.16 - 0}$$

$$V_E = \underline{\underline{\text{₹ } 18.75}}$$

Q 4) OR Revised Balance Sheet after Both Effects. (15 marks)

Liabilities	Amt.	Assets	Amt.
22000 shares of ₹ 10 each. fully paid up.	220,000.	Fixed Assets	252,000
Reserves & Surplus	32,000		
Profit & Loss			
Total	<u>252,000</u>		<u>252,000</u>

Q 5) Theory — 15 marks

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