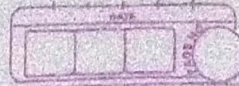


Q P Code 53606  
Sub Management Accounting 75M

Q1A Match the following any (8) 8M

- 1) Current ratio : Balance Sheet ratio
- 2) Operating ratio : Income Statement ratio
- 3) Preference Share Capital : Owner's Fund
- 4) Bank Loan : Owed fund
- 5) Working capital on continuous basis : Regular working capital
- 6) Working capital to meet seasonal fluctuations : Special working capital
- 7) Comparative Statement : Compares data for two years
- 8) Trend Statement : Compares data for more than 2 years
- 9) Debentures redeemed : Cash flow from financing activity
- 10) Sale of Fixed assets : Cash flow from Investing activity



(7mk)

(A) (1-9), (2-6), 3 4 5 6 7

(B) True : 5, 7, 8, 10 False : 1, 2, 3, 4, 6, 9

Q2 (A)

Mandas Ltd

(15MK)

Balance Sheet as on 31.03.2016

(9mks)

I Sources of funds

(1) Shareholders fund

(a) Share Capital

Equity share cap	500	
12% Pref sh cap	300	
	<u>800</u>	

(b) Reserves & surplus

Securities Premium	100	
Gen Res	150	
P&L A/c	350	
	<u>600</u>	

(-)(c) Fictitious Assets or Losses

Preliminary exp	<u>(100)</u>	1300
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(2) Borrowed Fund

NIL	
<u>1300</u>	

II Application of funds

(1) Fixed Assets

Tangible

Land & Bldgs	300	
Plant & Machi	400	
	<u>700</u>	

Intangible

Goodwill	<u>200</u>	900
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Q.P: 53606

Investments (LT)

Working Capital

Current Assets

Debtors

Stock

Bank

200

300

100

600

100

Current Liabilities

Creditors

Bills payable

200

100

300

CA-CL

300

1300

$$\text{Quick Ratio} = \frac{\text{CA}}{\text{CL}}$$

(3 MK)

$$= \frac{\text{CA} - \text{Stock}}{\text{CL} - \text{BOD}} = \frac{600 - 300}{300}$$

$$= \frac{300}{300} = \underline{\underline{1:1}}$$

$$\text{Stock to working Capital} = \frac{\text{closing stock}}{\text{WC}} \times 100 \quad (2 \text{ MK})$$

$$= \frac{300}{300} \times 100 = \underline{\underline{100\%}}$$

$$\text{Proprietary Ratio} = \frac{\text{PR}}{\text{TA}} \times 100 \quad (2 \text{ MK})$$

$$= \frac{1300}{1600} \times 100$$

$$= \underline{\underline{81.25\%}}$$

OR

2(B)

Vertical Income Statement

15mks  
(6mks)

Sales		4,00,000
Less: COGS		
Op stock	30,000	
(+) Pur	3,00,000	
(-) cl stock	<u>(40,000)</u>	<u>(2,90,000)</u>
GP		1,10,000
Less: operating Exp	80,000	
depen	<u>11,000</u>	<u>91,000</u>
NPBT		19,000
Less: Tax		<u>1,000</u>
NPAT		<u>18,000</u>

Balance sheet as on 31/03/16 (9mks)

(I) Sources of Funds:

(1) Shareholder's Fund

(a) Share Cap

Equity Cap 1,20,000

(b) Res & Surplus

Gen Reserve 36,000 1,56,000

(2) Borrowed Fund

6% debentures 50,000

Total (1) + (2) 2,06,000

II Application of Funds:

(1) Fixed Assets

1,00,000

(2) Working Capital

Current Asset: PPExp 1,000  
Inventory 40,000  
Debtors 70,000  
Cash 10,000  
121,000

Current Liabilities: Creditors 10,000  
Overdraft 4,000  
PFTax 1,000  
15,000

106,000

Total (1) + (2)

206,000

Q3. Comparative P/L for the year ended 31/12		2013	2014	change Amt	% change
Particulars					
Sales		6,000	10,000	4,000	66.67
(-) <u>Cost of Goods Sold:-</u>					
opening stock		800	1,200	400	50.00
(+) purchase		3,000	8,000	5,000	166.67
(+) Labours charges		1,000	1,600	600	60.00
(+) factory expense		800	1,000	200	25.00
(-) closing stock		€1,200	3,000	1,800	150.00
GRASS PROFIT		1,600	1,200	(400)	(25.00)
(-) <u>operating Expenses:-</u>					
(a) <u>office and Adm Exp:-</u>					
Salaries		300	200	(100)	(33.33)
Rent		80	100	20	25.00
Depreciation		130	130	00	NA
(a)		510	430	(80)	(15.69)
(b) <u>Selling &amp; Dist<sup>n</sup> Exp:-</u>					
Carriage Outward		120	100	(20)	(16.67)
Delivery Exp		60	30	(30)	(50.00)
Advertisement		150	100	(50)	(33.33)
(b)		330	230	(100)	(30.30)
(c) <u>Finance Expenses:-</u>					
Bad Debts		10	-	(10)	(100.00)
Interest	* (Alternatively, Int can be treated separately as on long term loan)	80	40	(40)	(50.00)
(c)		90	40	(50)	(55.56)
OPERATING PROFIT ATER INT		670	500	(170)	(25.37)
(+) <u>Non-operating Incomes:-</u>					
Profit on Sale of Invst		15	15	00	NA
NET PROFIT B4 TAX		685	515	(170)	(24.82)
(-) Provision for Tax		300	240	(60)	(20.00)
NET PROFIT TRF TO GR.		385	275	(110)	(28.57)

Complete the following income statement of Aruna Ltd.:  
**Income Statement for the year ended 31<sup>st</sup> March,**

(15)

Particulars	Rs. In Lakhs			Trend % ( base year 2013)		
	2013	2014	2015	2013	2014	2015
Net Sales	600	800	1000	100	133.33 ?	166.67 ?
Less: Cost of goods sold	400	500 ?	600 ?	100 ?	125	150 ?
Gross profit	200	300 ?	400 ?	100 ?	150 ?	200
Less: Operating expenses	100	120 ?	200	100 ?	120	200 ?
Operating Net Profit	100 ?	180	200 ?	100 ?	180 ?	200 ?
Add: Non-operating Income	40	20 ?	60 ?	100 ?	50	150
Less: Non-operating Expenses	20 ?	20 ?	20 ?	100	100	100
Net profit before tax	120	180 ?	240 ?	100 ?	150	200
Income Tax	40	80 ?	120 ?	100 ?	200 ?	300 ?
Net profit after tax	80	100	120	100 ?	125 ?	150 ?

Q4.

I CASH FLOW FROM OPERATING ACT:-

Net Profit (250 - 150) 100

Adjust:- Non Cash & non-operating items:-

- Transfer to GR 50
  - Interest Dividend paid 50
  - Depreciation 60
  - Loss on sale of FA 50
  - Share issue Exp w/off 70
- 380

Adjust:- Working Capital changes:-

- Increase in Debtors (150)
- Increase in stock (100)
- Increase in Crs 10

140

II CASH FLOW FROM INVESTING ACT:-

Purchase of FA

(310)

Sale of FA

250

(60)

III CASHFLOW FROM FINANCING ACT:-

• Redemption of Deb

(100)

• Interm Div paid

(50)

(150)

NET DECREASE IN CASHFLOW

(70)

(+) opening Cash balance

250

closing cash balance

180

OR

Q4.

I CURRENT ASSETS:-

1. Stock:-

a. Stock of RM

$1000 \times 12 \times 2$

24,000.

b. Stock of WIP:-

(i) RM

$1000 \times 12 \times 2 = 24,000$

(ii) Labours

$1000 \times 3 \times 2 \times \frac{1}{2} = 3,000$

(iii) o/H

$1000 \times 9 \times 2 \times \frac{1}{2} = 9,000$

36,000

c. Stock of FG

$1000 \times 24 \times 5$

120,000

180,000

2. Debtors

$1000 \times 30 \times 3 \text{wk} \times 70\%$

63,000

3. Cash

1000

253,000

Less:- II CURRENT LIAB:-

1. Creditors

$1000 \times 12 \times 4 \text{wk} \times 70\%$

33,600

2. o/s wages

$1000 \times 3 \times 2 \text{wk}$

6,000

3. o/s Factory o/H

$1000 \times 9 \times 2 \text{wk}$

18,000

(57,600)

WC

195,400