

QP Code : 28469

(2½ Hours)

[ Total Marks : 75

- N. B. : (1) All questions are compulsory.  
(2) Each question carries 15 marks having options.  
(3) Working notes should form part of your answers.

1. (a) Fill in the blanks (any eight) :-

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- (1) \_\_\_\_\_ reports take the help of tables in order to lay emphasis on the matter discussed.
- (2) \_\_\_\_\_ is the most important tool in Cash Management.
- (3) If Gross Profit is ₹ 2,00,000 and Sales ₹ 10,00,000 then Gross Profit Ratio is \_\_\_\_\_ %.
- (4) Total Application of funds = Fixed Assets + Investments + \_\_\_\_\_.
- (5) Ratio can be expressed in pure form, as rates or as \_\_\_\_\_.
- (6) Holding of Cash to meet routine cash requirements is known as \_\_\_\_\_ motive of cash holding.
- (7) If the project has shortest payback period then it must be \_\_\_\_\_.
- (8) Fixed Assets are Tangible and \_\_\_\_\_.
- (9) \_\_\_\_\_ is a Non-Quick Current Liability.
- (10) Capital gearing ratio is also known as \_\_\_\_\_ structure ratio.

(b) Match the column (any seven) :-

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Group 'A'

Group 'B'

- |  |   |
|--|---|
| (1) Issue of shares                      | (a) Accept the project                  |
| (2) Negative Net Present Value           | (b) Solvency Ratio                      |
| (3) Profitability Index > 1              | (c) Business continuity                 |
| (4) Current Ratio                        | (d) Reject the project                  |
| (5) Going concern concept                | (e) Huge Expenditure                    |
| (6) Gross Profit Ratio                   | (f) Cash Inflow from financing activity |
| (7) Capital Budgeting                    | (g) Fictitious Asset                    |
| (8) Preliminary expenses not written off | (h) Income statement Ratio              |
| (9) Goodwill                             | (i) Middle Management Level             |
| (10) Operational Reports                 | (j) Intangible Fixed Asset              |

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2. Complete the following Balance sheet as on 31-03-2015.

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Balance Sheet as on 31-03-2015

Liabilities	₹	Assets	- ₹
Equity Share Capital	?	Fixed Assets	?
Preference Share Capital	?	Stock	?
Reserves & Surplus	?	Debtors	?
Debentures	?	Cash	?
Creditors	?		
	?		?

Other details :-

- (1) Stock, Debtors and Cash is in the ratio 3:1:1
- (2) Debt-Equity Ratio is 1:2
- (3) Current Ratio 4:1
- (4) Working Capital is ₹ 10,00,000
- (5) Reserves and Surplus is 50% of Share Capital
- (6) Share Capital is ₹ 30,00,000

OR

2. The Quick Ratio of Company is 2:1. Quick Assets are ₹ 1,00,000. Which of the following transaction will affect the Quick Ratio. Treat each transaction separately.

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- (a) Paid to creditors ₹ 10,000
- (b) Purchased Machinery for cash ₹ 50,000
- (c) Sold goods worth ₹ 7,000 on credit
- (d) Received from customer ₹ 5,000
- (e) Sold furniture for cash ₹ 7,000.

3. Wilson Ltd is considering to purchase a machine. Following are the details:

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Particulars	Machine A (₹)	Machine B (₹)	Machine C (₹)
Cost of Machine	10,00,000	15,00,000	12,00,000
Expected Net Cash Flow:			
Year I	3,00,000	5,00,000	5,50,000
II	4,00,000	6,00,000	6,50,000
III	7,00,000	7,00,000	5,00,000
IV	5,00,000	6,50,000	7,00,000

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Calculate payback period and suggest which machine should be purchased.

OR

3. Robert Ltd wishes to purchase a machine. Following are the details: 15

Particulars	₹
Cost of Machine	10,00,000
Estimated Life	5 years
Expected Net Profit After Tax	
Year I	2,00,000
II	2,50,000
III	2,20,000
IV	2,30,000
V	2,50,000

Depreciation is on straight Line Basis. Present value of ₹ 1 at 10%. Discount:

Year	1	2	3	4	5
Present Value	0.909	0.826	0.751	0.683	0.621

- Calculate (1) Net Present Value  
(2) Profitability Index

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4. Following are the estimated details of Sawant Ltd.

Month	Sales ₹	Prurchase ₹	Wages ₹
November 2015	8,00,000	2,50,000	30,000
December 2015	3,00,000	3,20,000	35,000
January 2016	4,00,000	3,20,000	20,000
February 2016	4,00,000	3,00,000	25,000
March 2016	6,00,000	2,00,000	30,000

Other details :-

- (1) 50% of sales are on Credit basis.  
(2) 50% of purchases are on cash basis.  
(3) Rent of ₹ 10,000 is payable in the month of March 2016.

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- (4) An interest of ₹ 5,000 is receivable in January 2016.  
 (5) Customers are allowed two months credit.  
 (6) Suppliers give one month credit.  
 (7) Cash Balance as on 1.1.2016 is to be taken as ₹ 50,000.  
 Prepare Cash Budget for the period 1st January 2016 to 31st March 2016.

OR

4. Following are the estimated details of Swaraj Ltd.

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Month	Sales ₹	Purchases ₹	Factory Expenses ₹	Selling Expenses ₹
December 2015	6,00,000	3,00,000	30,000	10,000
January 2016	7,00,000	3,50,000	20,000	5,000
February 2016	7,50,000	4,00,000	40,000	10,000
March 2016	8,00,000	4,00,000	45,000	15,000

Other details :-

- (1) 40% of sales are on credit basis.  
 (2) Customers are allowed one month credit.  
 (3) 50% of purchases are on credit basis.  
 (4) Suppliers give one month credit.  
 (5) Log in payment of all expenses is one month.  
 (6) Dividend of ₹ 4,000 will be received in March 2016.  
 (7) Cash Balance as on 1.1.2016 is to be taken as ₹ 40,000.  
 Prepare cash budget for the period 1st January 2016 to 31st March 2016.

5. (a) Give the importance of Auditors Report. 8  
 (b) Give characteristics of Management Information System. 7

OR

5. Write short notes (any three) :- 15

- (a) Notes to Accounts  
 (b) Cash flow statement  
 (c) Balance sheet ratios  
 (d) Directors Report  
 (e) Payback period method