

SOMAIYA

VIDYAVIHAR UNIVERSITY

Dr. Shantilal K. Somaiya School of Commerce and Business Studies

QUESTION PAPERS

BRANCH: Bachelor of Business Management	SEM: III
	MAR/APR-2024

Sr. No.	Subject	Available
1.	Management Accounting (A)	
2.	Management Accounting (B)	
3.	management Accounting (C)	
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LIBRARY



SOMAIYA
VIDYAVIHAR UNIVERSITY



Semester (July 2023 to November 2023)		
Examination: End Semester Examination March/April 2024 (UG Programmes)		
Programme code: 06	Class:	Semester: III
Programme:	SYBBM	
Name of the Constituent College:		Name of the Department
S K Somaiya College		Business Studies
Course Code:	Name of the Course: Management Accounting	
131U06E301		
Duration : 2 Hrs.	Maximum Marks : 60	
Instructions: 1) Figures to the right indicate full marks 2) Q1 – Q3 have internal option. Q4 is compulsory 3) Working notes should form part of your answer		

Question No.		Max. Marks	CO																																																																																																												
Q.1. A	<p>Manavi Ltd furnishes you with the following Statement.</p> <p style="text-align: center;">Balance Sheet as on 31-March, 2023</p> <table><tr><th>Liabilities</th><th>Rs.</th><th>Assets</th><th>Rs.</th></tr><tr><td>Share Capital:</td><td></td><td>Building 2,00,000</td><td></td></tr><tr><td>Equity</td><td>1,00,000</td><td>(-) Depreciation <u>15,000</u></td><td>1,85,000</td></tr><tr><td>12% Preference</td><td>50,000</td><td>Investments</td><td>40,000</td></tr><tr><td>Reserve & Surplus</td><td>35,000</td><td>Stock</td><td>35,000</td></tr><tr><td>10% Debentures</td><td></td><td>Debtors</td><td>30,000</td></tr><tr><td>(secured by</td><td>50,000</td><td>Bank</td><td>10,000</td></tr><tr><td>Mortgage)</td><td></td><td></td><td></td></tr><tr><td>Bills Payable</td><td>15,000</td><td></td><td></td></tr><tr><td>Creditors for Goods</td><td>20,000</td><td></td><td></td></tr><tr><td>Outstanding Expenses</td><td>10,000</td><td></td><td></td></tr><tr><td>Provision for</td><td></td><td></td><td></td></tr><tr><td>Taxation</td><td>10,000</td><td></td><td></td></tr><tr><td>Proposed Dividends</td><td>10,000</td><td></td><td></td></tr><tr><td></td><td>3,00,000</td><td></td><td>3,00,000</td></tr></table> <p style="text-align: center;">Profit and Loss Account for the year ended 31-03-2023</p> <table><tr><td>To Opening Stock</td><td>30,000</td><td>By Sales</td><td>3,00,000</td></tr><tr><td>To Purchases</td><td>1,80,000</td><td>By Closing Stock</td><td>35,000</td></tr><tr><td colspan="4">To Expenses:</td></tr><tr><td>Administration</td><td>25,000</td><td></td><td></td></tr><tr><td>Selling</td><td>30,000</td><td></td><td></td></tr><tr><td>Financing</td><td>5,000</td><td></td><td></td></tr><tr><td>To Depreciation</td><td>15,000</td><td></td><td></td></tr><tr><td>To Provision for</td><td></td><td></td><td></td></tr><tr><td>Taxation</td><td>10,000</td><td></td><td></td></tr><tr><td>To Proposed</td><td></td><td></td><td></td></tr><tr><td>Dividend</td><td>10,000</td><td></td><td></td></tr><tr><td>To Balance c/f</td><td>30,000</td><td></td><td></td></tr></table>	Liabilities	Rs.	Assets	Rs.	Share Capital:		Building 2,00,000		Equity	1,00,000	(-) Depreciation <u>15,000</u>	1,85,000	12% Preference	50,000	Investments	40,000	Reserve & Surplus	35,000	Stock	35,000	10% Debentures		Debtors	30,000	(secured by	50,000	Bank	10,000	Mortgage)				Bills Payable	15,000			Creditors for Goods	20,000			Outstanding Expenses	10,000			Provision for				Taxation	10,000			Proposed Dividends	10,000				3,00,000		3,00,000	To Opening Stock	30,000	By Sales	3,00,000	To Purchases	1,80,000	By Closing Stock	35,000	To Expenses:				Administration	25,000			Selling	30,000			Financing	5,000			To Depreciation	15,000			To Provision for				Taxation	10,000			To Proposed				Dividend	10,000			To Balance c/f	30,000			15	01
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	<div>Total Rs.3,35,000Total Rs.3,35,000</div> <div>You are required to prepare financial statements in vertical format</div>																																																														
	OR																																																														
Q.1. B	<div>Following are the Balance Sheets of Rashi Ltd of years 2021 & 2022:</div> <table><tr><th>Liabilities</th><th>2021</th><th>2022</th><th>Assets</th><th>2021</th><th>2022</th></tr><tr><td>Equity Share Capital</td><td>1,00,000</td><td>1,50,000</td><td>Land & Buildings</td><td>80,000</td><td>75,000</td></tr><tr><td>General Reserves</td><td>60,000</td><td>10,000</td><td>Plant & Machinery</td><td>42,000</td><td>65,000</td></tr><tr><td>Profit & Loss account</td><td>5,000</td><td>30,000</td><td>Furniture</td><td>7,000</td><td>6,000</td></tr><tr><td>Bank overdraft</td><td>---</td><td>65,000</td><td>Investment</td><td>6,000</td><td>32,000</td></tr><tr><td>Mortgage Loan (Secured against plant)</td><td>---</td><td>40,000</td><td>Stock</td><td>27,500</td><td>94,500</td></tr><tr><td>Tax Provision</td><td>10,000</td><td>15,000</td><td>Debtors</td><td>46,500</td><td>77,250</td></tr><tr><td>Creditors</td><td>30,000</td><td>20,000</td><td>Cash</td><td>2,000</td><td>7,250</td></tr><tr><td>Bills payables</td><td>10,000</td><td>30,000</td><td>Preliminary expenses</td><td>4,000</td><td>3,000</td></tr><tr><td>Total</td><td>2,15,000</td><td>3,60,000</td><td></td><td>2,15,000</td><td>3,60,000</td></tr></table> <div>Prepare Comparative Balance sheet</div>	Liabilities	2021	2022	Assets	2021	2022	Equity Share Capital	1,00,000	1,50,000	Land & Buildings	80,000	75,000	General Reserves	60,000	10,000	Plant & Machinery	42,000	65,000	Profit & Loss account	5,000	30,000	Furniture	7,000	6,000	Bank overdraft	---	65,000	Investment	6,000	32,000	Mortgage Loan (Secured against plant)	---	40,000	Stock	27,500	94,500	Tax Provision	10,000	15,000	Debtors	46,500	77,250	Creditors	30,000	20,000	Cash	2,000	7,250	Bills payables	10,000	30,000	Preliminary expenses	4,000	3,000	Total	2,15,000	3,60,000		2,15,000	3,60,000	15	01
Liabilities	2021	2022	Assets	2021	2022																																																										
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Total	2,15,000	3,60,000		2,15,000	3,60,000																																																										
Q.2. A	<div>Following are the comparative Revenue Statements for the year ended 31-March 2022 & 31-March 2023 from the books of Aryan Ltd</div> <table><tr><td>Particulars</td><td>2021-22</td><td>2022-23</td></tr><tr><td>Sales</td><td>12,00,000</td><td>20,00,000</td></tr><tr><td>Cost of goods sold</td><td>9,60,000</td><td>16,60,000</td></tr></table> <table><tr><td>Administration expenses</td><td>36,000</td><td>70,000</td></tr><tr><td>Selling & Distribution expenses</td><td>48,000</td><td>65,000</td></tr><tr><td>Interest on loans</td><td>16,000</td><td>45,000</td></tr><tr><td>Interest on debentures</td><td>20,000</td><td>NIL</td></tr><tr><td>Net profit</td><td>1,20,000</td><td>1,60,000</td></tr></table>	Particulars	2021-22	2022-23	Sales	12,00,000	20,00,000	Cost of goods sold	9,60,000	16,60,000	Administration expenses	36,000	70,000	Selling & Distribution expenses	48,000	65,000	Interest on loans	16,000	45,000	Interest on debentures	20,000	NIL	Net profit	1,20,000	1,60,000	15	02																																				
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	<ul style="list-style-type: none">• Cash and bank balance is Rs.20,000 <p>Calculate Working capital requirements of the company for the year 2022.</p>																														
	OR																														
Q.3. B.	<p>Vizag Ltd furnishes following information:</p> <table><tr><td>Selling price per unit</td><td>100</td></tr><tr><td>Variable cost per unit</td><td>60</td></tr><tr><td>Fixed cost per unit</td><td>20</td></tr><tr><td>Quantity sold</td><td>10,000 units</td></tr><tr><td>Credit period</td><td>1 month</td></tr><tr><td>Bad debts (% of sales)</td><td>1%</td></tr></table> <p>Following proposals are under consideration:</p> <table><tr><td>Particulars</td><td>Proposal 1</td><td>Proposal 2</td><td>Proposal 3</td></tr><tr><td>Credit period</td><td>2 months</td><td>3 months</td><td>6 months</td></tr><tr><td>Expected sales quantity</td><td>12,000 units</td><td>15,000 units</td><td>25,000 units</td></tr><tr><td>Expected Bad debts (%)</td><td>1.5</td><td>2.5</td><td>5</td></tr></table> <p>Cost of funds is 10% p.a. Evaluate these proposals and select the best alternative for the company.</p>	Selling price per unit	100	Variable cost per unit	60	Fixed cost per unit	20	Quantity sold	10,000 units	Credit period	1 month	Bad debts (% of sales)	1%	Particulars	Proposal 1	Proposal 2	Proposal 3	Credit period	2 months	3 months	6 months	Expected sales quantity	12,000 units	15,000 units	25,000 units	Expected Bad debts (%)	1.5	2.5	5	15	04
Selling price per unit	100																														
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Expected sales quantity	12,000 units	15,000 units	25,000 units																												
Expected Bad debts (%)	1.5	2.5	5																												
Q.4	<p>Write the following concepts (5 Marks each)</p> <ol style="list-style-type: none">1. Role of P/E ratio in fundamental analysis of stock2. Gross and Net working capital3. Cost associated with Receivable Management	15	02 03 04																												

	Calculate the following ratios: 1. Gross Profit ratio 2. Net Profit ratio 3. Operating Profit ratio 4. Operating ratio 5. Administration expenses to Sales ratio																														
	OR																														
Q.2. B	Complete the Balance sheet of sunshine Ltd with the help of information provided: Balance Sheet	15	02																												
<table><tr><th>Liabilities</th><th>Rs.</th><th>Assets</th><th>Rs.</th></tr><tr><td>Share Capital</td><td>30,00,000</td><td>Fixed Assets</td><td>?</td></tr><tr><td>Reserves</td><td>45,00,000</td><td><u>Current Assets:</u></td><td></td></tr><tr><td>Loans</td><td>?</td><td>Stock</td><td>?</td></tr><tr><td>CurrentLiabilities</td><td>10,00,000</td><td>Debtors</td><td>?</td></tr><tr><td></td><td></td><td>Cash</td><td>?</td></tr><tr><td>Total</td><td>?</td><td>Total</td><td>?</td></tr></table>				Liabilities	Rs.	Assets	Rs.	Share Capital	30,00,000	Fixed Assets	?	Reserves	45,00,000	<u>Current Assets:</u>		Loans	?	Stock	?	CurrentLiabilities	10,00,000	Debtors	?			Cash	?	Total	?	Total	?
Liabilities	Rs.	Assets	Rs.																												
Share Capital	30,00,000	Fixed Assets	?																												
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CurrentLiabilities	10,00,000	Debtors	?																												
		Cash	?																												
Total	?	Total	?																												
Ratios of the company are: Debt Equity ratio 1: 2 Total asset turnover = 2/5 Inventory turnover ratio 9 times Acid test ratio 1 : 1 Debtors' collection period: 45 days Gross profit ratio: 10% Assume 360 days in a year. All sales are credit sales.																															
Q.3. A.	Krishika Ltd provides following information about cost per unit of its product: <table><tr><td>Direct materials</td><td>Rs.20</td></tr><tr><td>Direct labour</td><td>Rs.10</td></tr><tr><td>Overheads</td><td>Rs.15</td></tr><tr><td>Total Cost</td><td>Rs.45</td></tr><tr><td>Selling price</td><td>Rs.50</td></tr></table> During the year 2022, company produced 25,000 units. Following additional information is available: <ul style="list-style-type: none">• Production and sales accrue evenly throughout the year.• Raw materials are in stock for a month.• Finished goods are in warehouse for 2 months.• Time lag in payment of wages is 1 month.• Customers are given 1 month's credit.• Suppliers provide ½ month's credit• Time lag in payment of overheads is ½ month.	Direct materials	Rs.20	Direct labour	Rs.10	Overheads	Rs.15	Total Cost	Rs.45	Selling price	Rs.50	15	03																		
Direct materials	Rs.20																														
Direct labour	Rs.10																														
Overheads	Rs.15																														
Total Cost	Rs.45																														
Selling price	Rs.50																														



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Semester (July 2023 to November 2023)		
Examination: End Semester Examination March/April 2024 (UG Programmes)		
Programme code: 06 Programme: BBM	Class: SYBBM	Semester: III
Name of the Constituent College: S K Somaiya College	Name of the Department Business Studies	
Course Code: 131U06E301	Name of the Course: Management Accounting	
Duration : 2 Hrs.	Maximum Marks : 60	
Instructions: 1) Figures to the right indicate full marks 2) Q1 – Q3 have internal option. Q4 is compulsory 3) Working notes should form part of your answer		

Question No.						Max. Marks	CO
Q.1. A	Complete the following comparative statements of Saanchi Ltd by ascertaining the missing balances:					15	01
	Particulars	2021	2022	Absolute Incr/Decr (Rs)	% Incr or Decr		
	Sales	?	?	+ 4,00,000	+ 25		
	Cost of Goods sold :						
	Opening Stock	80,000	1,20,000	?	?		
	Purchases	?	?	+ 2,00,000	+ 20		
	Wages	2,40,000	4,40,000	?	?		
	(-) Closing Stock	?	1,80,000	?	?		
	Total of COGS	?	?	?	?		
	Gross Profit	?	?	?	?		
	(-) Operating Expenses						
	Administrative	?	?	+ 20,000	+ 20		
	Selling	50,000	60,000	?	?		
	Finance	?	?	+ 4,500	+ 22.5		
	Total of Operating expenses	?	?	?	?		
	Operating Profit	?	?	?	?		
	(+) Non-Operating Income	20,000	1,00,000	?	?		

	Net Profit before tax	?	?	?	?			
	(-) Tax provision	?	?	?	?			
	Net profit after tax	2,10,000	2,35,500	?	?			

OR

Q.1. B

From the following information, prepare Common size Revenue statement in books of Adah Ltd:

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01

Particulars	Amount
Sales	18,00,000
Purchases	11,00,000
Carriage Inwards	40,000
Carriage Outwards	60,000
Opening Stock	90,000
Closing Stock	90,000
Salaries	50,000
Electricity expenses	20,000
Commission received	35,000
Sales promotion expenses	45,000
Profit on sale of old Vehicles	10,000
Proposed Dividends	20,000
Tax rate	20%
Interest on Borrowed funds	30,000

Q.2. A


Tanishq Ltd provides following information for the year ended 31-March 2023:

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Liabilities	Amount	Assets	Amount
Equity Share Capital	5,00,000	Capital WIP	2,00,000
6% Preference Share Capital	3,00,000	Fixed Assets	6,00,000
8% Public Deposits	1,00,000	Investment in 7% GP notes	1,00,000
10% Debentures	1,50,000	Inventories	1,55,000
Reserves	50,000	Debtors	50,000
Bank Overdraft	30,000	Cash & Bank	30,000



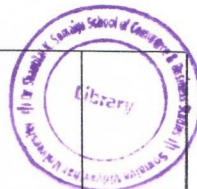
	<table><tr><td>Creditors</td><td>10,000</td></tr><tr><td>Provisions</td><td>15,000</td></tr><tr><td>Total</td><td>11,55,000</td></tr></table>	Creditors	10,000	Provisions	15,000	Total	11,55,000	<table><tr><td>Preliminary expenses</td><td>20,000</td></tr><tr><td></td><td>11,55,000</td></tr></table>	Preliminary expenses	20,000		11,55,000																																																				
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Calculate the following ratios: 1. Current ratio 2. Quick ratio 3. Proprietary ratio 4. Capital gearing ratio 5. Debt-Equity ratio 6. Stock-Working capital ratio																																																																
OR																																																																
Q.2. B	<p>Aarav Ltd provides following information for the year ended 31-March 2023: Trading & Profit/Loss account</p> <table><tr><th>Particulars</th><th>Amount</th><th>Particulars</th><th>Amount</th></tr><tr><td>To Opening Stock</td><td>30,000</td><td>By Sales</td><td>4,00,000</td></tr><tr><td>To Purchases</td><td>3,00,000</td><td>By Closing Stock</td><td>50,000</td></tr><tr><td>To Expenses</td><td>20,000</td><td></td><td></td></tr><tr><td>To Tax Provision</td><td>40,000</td><td></td><td></td></tr><tr><td>To Proposed dividends</td><td>20,000</td><td></td><td></td></tr><tr><td>To Net Profit</td><td>40,000</td><td></td><td></td></tr><tr><td>Total</td><td>4,50,000</td><td></td><td>4,50,000</td></tr></table> <p style="text-align: center;">Balance Sheet</p> <table><tr><th>Liabilities</th><th>Amount</th><th>Assets</th><th>Amount</th></tr><tr><td>Share Capital (FV Rs.10)</td><td>2,00,000</td><td>Plant & Machinery</td><td>80,000</td></tr><tr><td>Reserves</td><td>10,000</td><td>Land & Building</td><td>20,000</td></tr><tr><td>Profit & Loss Account</td><td>30,000</td><td>Stock</td><td>50,000</td></tr><tr><td>Creditors</td><td>50,000</td><td>Debtors</td><td>80,000</td></tr><tr><td></td><td></td><td>Cash & Bank</td><td>60,000</td></tr><tr><td>Total</td><td>2,90,000</td><td></td><td>2,90,000</td></tr></table>		Particulars	Amount	Particulars	Amount	To Opening Stock	30,000	By Sales	4,00,000	To Purchases	3,00,000	By Closing Stock	50,000	To Expenses	20,000			To Tax Provision	40,000			To Proposed dividends	20,000			To Net Profit	40,000			Total	4,50,000		4,50,000	Liabilities	Amount	Assets	Amount	Share Capital (FV Rs.10)	2,00,000	Plant & Machinery	80,000	Reserves	10,000	Land & Building	20,000	Profit & Loss Account	30,000	Stock	50,000	Creditors	50,000	Debtors	80,000			Cash & Bank	60,000	Total	2,90,000		2,90,000	15	02
Particulars	Amount	Particulars	Amount																																																													
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		Cash & Bank	60,000																																																													
Total	2,90,000		2,90,000																																																													
Calculate the following ratios: 1. Stock Turnover ratio 2. Debtors Turnover ratio 3. Net Profit ratio 4. Gross Profit ratio 5. Creditors Turnover ratio																																																																

	6. Return on Net worth 7. Earnings per share 8. Price to Earnings ratio given that MPS is Rs.30		
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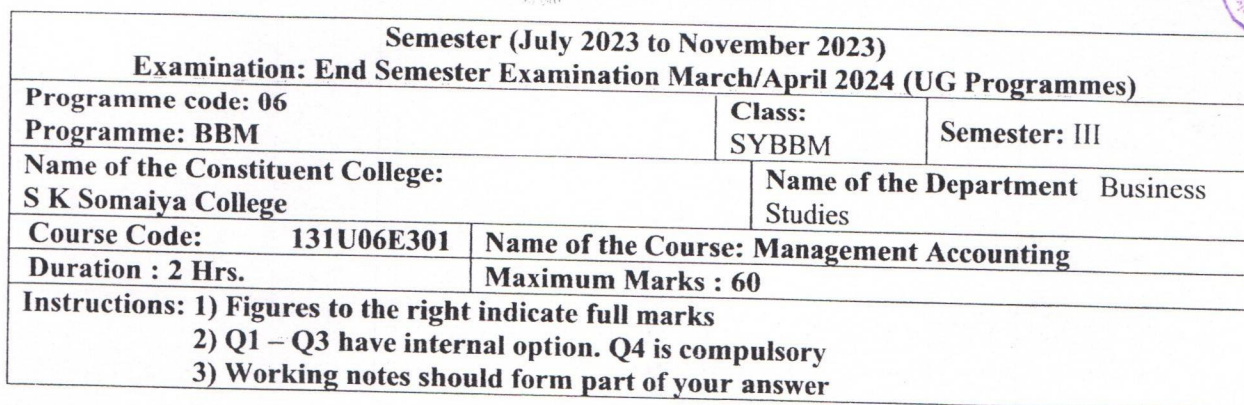
Q.3. A.	Krishna Ltd produces 4,000 units per month. Following is its cost sheet for the year 2022:	15	03												
	<table border="1"><thead><tr><th>Particulars</th><th>Cost per unit</th></tr></thead><tbody><tr><td>Raw materials</td><td>10</td></tr><tr><td>Labour</td><td>4</td></tr><tr><td>Factory overheads</td><td>3</td></tr><tr><td>Selling overheads</td><td>2</td></tr><tr><td>Profit</td><td>6</td></tr></tbody></table>			Particulars	Cost per unit	Raw materials	10	Labour	4	Factory overheads	3	Selling overheads	2	Profit	6
	Particulars			Cost per unit											
	Raw materials			10											
	Labour			4											
	Factory overheads			3											
	Selling overheads			2											
	Profit			6											
Additional information:															
• Raw materials are in stock for a month.															
• Finished goods are in stock for 2 months.															
• Processing time is $\frac{1}{2}$ month.															
• Credit allowed to customers is for $1\frac{1}{2}$ months and credit allowed by supplier of materials is 1 month.															
• Factory Overheads are paid at the end of the month.															
• Selling overheads are paid at the beginning of the month.															
• The cash balance is to be maintained at 10% of Net working capital.															
• 70% of total sales are on credit.															
Prepare a statement of working capital requirements.															

OR

	OR																												
Q.3. B.	<p>Banke Ltd furnishes following information:</p> <table><tr><td>Selling price per unit</td><td>50</td></tr><tr><td>Variable cost per unit</td><td>20</td></tr><tr><td>Fixed cost per unit</td><td>5</td></tr><tr><td>Quantity sold</td><td>20,000 units</td></tr><tr><td>Credit period</td><td>1 month</td></tr><tr><td>Bad debts (% of sales)</td><td>2%</td></tr></table> <p>Following proposals are under consideration:</p> <table><tr><td>Particulars</td><td>Proposal 1</td><td>Proposal 2</td><td>Proposal 3</td></tr><tr><td>Credit period</td><td>3 months</td><td>4 months</td><td>6 months</td></tr><tr><td>Expected sales quantity</td><td>25,000 units</td><td>30,000 units</td><td>40,000 units</td></tr></table>			Selling price per unit	50	Variable cost per unit	20	Fixed cost per unit	5	Quantity sold	20,000 units	Credit period	1 month	Bad debts (% of sales)	2%	Particulars	Proposal 1	Proposal 2	Proposal 3	Credit period	3 months	4 months	6 months	Expected sales quantity	25,000 units	30,000 units	40,000 units	15	04
Selling price per unit	50																												
Variable cost per unit	20																												
Fixed cost per unit	5																												
Quantity sold	20,000 units																												
Credit period	1 month																												
Bad debts (% of sales)	2%																												
Particulars	Proposal 1	Proposal 2	Proposal 3																										
Credit period	3 months	4 months	6 months																										
Expected sales quantity	25,000 units	30,000 units	40,000 units																										



•	<p>Expected Bad debts (%) 3 5 7.5</p> <p>The cost of funds is 8% p.a. Evaluate these proposals and select the best alternative for the company.</p>		
Q.4	Describe the following concepts (5 Marks each)	15	
	1. Trend Aanalysis		01
	2. Working capital cycle		03
	3. Delinquency cost		04



Question No.		Max. Marks	CO																																	
Q.1. A	Prepare Comparative Income statement from the records of Lakshya Ltd for the year 2021 & 2022:	15	01																																	
	<table><tr><th>Particulars</th><th>2021</th><th>2022</th></tr><tr><td>Sales</td><td>10,00,000</td><td>12,00,000</td></tr><tr><td>Purchases</td><td>6,00,000</td><td>9,00,000</td></tr><tr><td>Opening stock</td><td>50,000</td><td>60,000</td></tr><tr><td>Closing stock</td><td>30,000</td><td>90,000</td></tr><tr><td>Salaries</td><td>1,00,000</td><td>1,40,000</td></tr><tr><td>Rent</td><td>60,000</td><td>70,000</td></tr><tr><td>Other administrative expenses</td><td>25,000</td><td>35,000</td></tr><tr><td>Selling expenses</td><td>10,000</td><td>15,000</td></tr><tr><td>Finance expenses (Interest)</td><td>NIL</td><td>20,000</td></tr><tr><td>Tax Provision</td><td>30%</td><td>30%</td></tr></table>			Particulars	2021	2022	Sales	10,00,000	12,00,000	Purchases	6,00,000	9,00,000	Opening stock	50,000	60,000	Closing stock	30,000	90,000	Salaries	1,00,000	1,40,000	Rent	60,000	70,000	Other administrative expenses	25,000	35,000	Selling expenses	10,000	15,000	Finance expenses (Interest)	NIL	20,000	Tax Provision	30%	30%
	Particulars			2021	2022																															
	Sales			10,00,000	12,00,000																															
	Purchases			6,00,000	9,00,000																															
	Opening stock			50,000	60,000																															
	Closing stock			30,000	90,000																															
	Salaries			1,00,000	1,40,000																															
	Rent			60,000	70,000																															
	Other administrative expenses			25,000	35,000																															
	Selling expenses			10,000	15,000																															
	Finance expenses (Interest)			NIL	20,000																															
Tax Provision	30%	30%																																		
OR																																				
Q.1. B	From the following information, prepare Common size Revenue statement in books of Adah Ltd:	15	01																																	
	<table><tr><th>Particulars</th><th>Amount</th></tr><tr><td>Sales</td><td>18,00,000</td></tr><tr><td>Purchases</td><td>11,00,000</td></tr><tr><td>Carriage Inwards</td><td>40,000</td></tr><tr><td>Carriage Outwards</td><td>60,000</td></tr><tr><td>Opening Stock</td><td>90,000</td></tr></table>			Particulars	Amount	Sales	18,00,000	Purchases	11,00,000	Carriage Inwards	40,000	Carriage Outwards	60,000	Opening Stock	90,000																					
	Particulars			Amount																																
	Sales			18,00,000																																
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Opening Stock	90,000																																			

	<table><tr><td>Closing Stock</td><td>90,000</td></tr><tr><td>Salaries</td><td>50,000</td></tr><tr><td>Electricity expenses</td><td>20,000</td></tr><tr><td>Commission received</td><td>35,000</td></tr><tr><td>Sales promotion expenses</td><td>45,000</td></tr><tr><td>Profit on sale of old Vehicles</td><td>10,000</td></tr><tr><td>Proposed Dividends</td><td>20,000</td></tr><tr><td>Tax rate</td><td>20%</td></tr><tr><td>Interest on Borrowed funds</td><td>30,000</td></tr></table>	Closing Stock	90,000	Salaries	50,000	Electricity expenses	20,000	Commission received	35,000	Sales promotion expenses	45,000	Profit on sale of old Vehicles	10,000	Proposed Dividends	20,000	Tax rate	20%	Interest on Borrowed funds	30,000											
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Proposed Dividends	20,000																													
Tax rate	20%																													
Interest on Borrowed funds	30,000																													
Q.2. A	<p>Summer Ltd and Twilight Ltd belong to Auto ancillary sector. They provide following information from their records for the year ended 31-March, 2023:</p> <table><tr><th>Particulars</th><th>Summer Ltd</th><th>Twilight Ltd</th></tr><tr><td>Equity Share Capital</td><td>1,00,000</td><td>1,50,000</td></tr><tr><td>Borrowed funds @ 10% p.a.</td><td>40,000</td><td>50,000</td></tr><tr><td>Net Profit before tax</td><td>3,00,000</td><td>3,75,000</td></tr><tr><td>Tax rate</td><td>20%</td><td>20%</td></tr><tr><td>Industry P/E ratio</td><td>30 times</td><td>30 times</td></tr><tr><td>Reserves</td><td>6,00,000</td><td>7,00,000</td></tr><tr><td>7% Preference Capital</td><td>70,000</td><td>NIL</td></tr><tr><td>Market price per share</td><td>Rs.470</td><td>Rs. 540</td></tr></table>	Particulars	Summer Ltd	Twilight Ltd	Equity Share Capital	1,00,000	1,50,000	Borrowed funds @ 10% p.a.	40,000	50,000	Net Profit before tax	3,00,000	3,75,000	Tax rate	20%	20%	Industry P/E ratio	30 times	30 times	Reserves	6,00,000	7,00,000	7% Preference Capital	70,000	NIL	Market price per share	Rs.470	Rs. 540	15	02
Particulars	Summer Ltd	Twilight Ltd																												
Equity Share Capital	1,00,000	1,50,000																												
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Net Profit before tax	3,00,000	3,75,000																												
Tax rate	20%	20%																												
Industry P/E ratio	30 times	30 times																												
Reserves	6,00,000	7,00,000																												
7% Preference Capital	70,000	NIL																												
Market price per share	Rs.470	Rs. 540																												
	<p>Calculate the following ratios:</p> <ol style="list-style-type: none">1. EPS2. Price to Earnings ratio3. Capital Gearing ratio4. Debt-Equity ratio																													
	OR																													
Q2. B	<p>Tanishq Ltd provides following information for the year ended 31-March 2023:</p> <table><tr><th>Liabilities</th><th>Amount</th><th>Assets</th><th>Amount</th></tr><tr><td>Equity Share Capital</td><td>5,00,000</td><td>Capital WIP</td><td>2,00,000</td></tr><tr><td>6% Preference Share Capital</td><td>3,00,000</td><td>Fixed Assets</td><td>6,00,000</td></tr></table>	Liabilities	Amount	Assets	Amount	Equity Share Capital	5,00,000	Capital WIP	2,00,000	6% Preference Share Capital	3,00,000	Fixed Assets	6,00,000	15	02															
Liabilities	Amount	Assets	Amount																											
Equity Share Capital	5,00,000	Capital WIP	2,00,000																											
6% Preference Share Capital	3,00,000	Fixed Assets	6,00,000																											



8% Public Deposits	1,00,000	Investment in 7% GP notes	1,00,000
10% Debentures	1,50,000	Inventories	1,55,000
Reserves	50,000	Debtors	50,000
Bank Overdraft	30,000	Cash & Bank	30,000
Creditors	10,000	Preliminary expenses	20,000
Provisions	15,000		
Total	11,55,000		11,55,000

Calculate the following ratios:

1. Current ratio
2. Quick ratio
3. Proprietary ratio
4. Capital gearing ratio
5. Debt-Equity ratio
6. Stock-Working capital ratio

Q.3. A.

Malgudi Ltd furnishes the following details and requests you to prepare a statement showing working capital requirements for the year 2023:

Particulars	Budget for 2023
Production capacity	30,000 units
Production	80%
Cost structure:	
Raw materials	Rs.40 P.U
Other direct materials	Rs.30 P.U
Labour	Rs.20 P.U
Fixed Overheads	Rs.10,000 p.m
Variable Overheads	Rs.10 P.U
Profit	20% on sales

Additional information:

- Fixed Overheads payable quarterly in advance.
- Raw materials remain in stock for 2 months.
- Other direct materials in stock for 1 month
- The production process takes 1 month. WIP is to be valued at raw materials and other direct materials at cost + 50% of wages and variable overheads.
- Finished goods remain in stock for 2 months (to be valued at direct cost)
- Raw materials purchased from suppliers against advance payments of 3 months and suppliers of other direct materials offer credit of 2 months.
- Time lag in payment of wages 2 months.

15

03

	<ul style="list-style-type: none"> Cash balance to be maintained at Rs.75,000. Credit allowed to customers as under (valued at selling price) <ol style="list-style-type: none"> 50% of invoice price against acceptance of bill for 3 months 25% of invoice price, time lag 3 months. 																						
	OR																						
Q.3. B.	<p>Vihaan Ltd reported sales of Rs.10 lakhs for the year. It offers a credit period of 30 days to its customers. The company wishes to adopt a more liberal credit policy and has shortlisted the following alternatives:</p> <table> <tr> <th>Alternative</th><th>Increase in collection period (days)</th><th>Increase in sales (units)</th><th>Baddebts (%)</th></tr> <tr> <td>A</td><td>15</td><td>20,000</td><td>1.5</td></tr> <tr> <td>B</td><td>25</td><td>40,000</td><td>2.5</td></tr> <tr> <td>C</td><td>30</td><td>60,000</td><td>3.5</td></tr> <tr> <td>D</td><td>40</td><td>70,000</td><td>4.5</td></tr> </table> <p>The selling price is Rs.10 per unit, average cost Rs.6 per unit and variable cost Rs.4 per unit. The current bad debt loss is 1%. The required return on investment is 25%. Assume 360 days in a year. Which alternative should the company implement?</p>	Alternative	Increase in collection period (days)	Increase in sales (units)	Baddebts (%)	A	15	20,000	1.5	B	25	40,000	2.5	C	30	60,000	3.5	D	40	70,000	4.5	15	04
Alternative	Increase in collection period (days)	Increase in sales (units)	Baddebts (%)																				
A	15	20,000	1.5																				
B	25	40,000	2.5																				
C	30	60,000	3.5																				
D	40	70,000	4.5																				
Q.4	Describe the following concepts (5 Marks each)	15																					
	1. Significance of Receivable Management		04																				
	2. Gross & Net Working Capital		03																				
	3. Working Capital cycle		03																				