

RHAM 324

Duration: 2 ½ Hrs

Marks: 75

**Q1. A. Rewrite the sentence with correct option (Any 8)**

(8)

1. Public deposits accepted are
  - a. Investment
  - b. Secured Loan
  - c. Unsecured Loan
  - d. Working Capital
2. Operating Ratio is an indicator of \_\_\_\_\_
  - a. Operating efficiency
  - b. Selling efficiency
  - c. Administrative efficiency
  - d. Production efficiency
3. Undistributed Profits are called as \_\_\_\_\_
  - a. Dividends
  - b. Net Profit
  - c. Reserve and Surplus
  - d. Retained Earnings
4. Profit on sale of Fixed asset is shown in Vertical Revenue Statement under
  - a. Operating incomes
  - b. Non-Operating Incomes
  - c. Non-Operating Expenses
  - d. Finance Expenses
5. \_\_\_\_\_ examines the policy of the company regarding payment of dividend and retained earnings.
  - a. Earnings per Share (EPS)
  - b. Price Earnings Ratio
  - c. Dividend Payout Ratio
  - d. Return on Investment
6. The sub-heading "Cash" in the Balance Sheet does not include \_\_\_\_\_
  - a. Coins
  - b. Stamp Papers
  - c. Money on Deposit
  - d. Bills Receivables
7. Estimation of Working Capital deals with expected net investment in \_\_\_\_\_
  - a. Current assets
  - b. Current Liabilities
  - c. Fixed assets
  - d. Intangible assets
8. \_\_\_\_\_ is not a factor that affects the composition of the working capital.
  - a. Process Technology used
  - b. Nature of business
  - c. Nature of raw material
  - d. Tax structure of the company
9. Fixed interest/ dividend bearing funds do not include \_\_\_\_\_
  - a. Debentures
  - b. Bank Loan
  - c. Equity Share Capital
  - d. Public Deposits
10. \_\_\_\_\_ expenses refers to those expenses which the company has incurred, of which the benefits are yet to be realised.
  - a. Outstanding
  - b. Prepaid
  - c. Non-Cash
  - d. Cash

**Q1.B. Match the pair (Any 7)**

(7)

Column A	Column B
1. Debtors Turnover Ratio	a. Balance Sheet Ratio
2. Investment Activity	b. Mandatory in case of Companies
3. Operating Activity	c. Current Asset – Current Liabilities
4. Comparative Statement	d. Sale of Goods
5. Common Size Statement	e. Revenue Ratio
6. Financial Accounting	f. Sale of Fixed Assets
7. Gross Working Capital	g. Horizontal Analysis
8. Gross Profit Ratio	h. Total Current Assets

9.	Debt Equity Ratio	i.	Combined Ratio
10.	Management Accounting	J.	Vertical Analysis
		k.	Voluntary in case of companies

- Q2.A** From the following particulars prepare a vertical Common Size Statement of Ajmeer company for the year ending 31<sup>st</sup> March, 2018. (15)

**Trading and Profit and Loss Account for the year Ended 31<sup>st</sup> March, 2018**

Particulars	Rs	Asset	Rs
To Opening stock	3,00,000	By Sales	60,00,000
To Purchases	32,10,000	By Closing Stock	3,60,000
To Interest on Debentures	1,50,000	By Dividend	39,000
To Depreciation on Furniture	15,000		
To Depreciation on Machinery	30,000		
To Administration Expenses	4,41,000		
To Selling Expenses	7,53,000		
To Carriage Outward	3,15,000		
To Loss by Fire	15,000		
To Wages	3,00,000		
To Provision for Tax	4,35,000		
To Net Profit	4,35,000		
<b>Total</b>	<b>63,99,000</b>	<b>Total</b>	<b>63,99,000</b>

OR

- Q2.B** The following balances appear in the books of M/s. Laxman Ltd. As on 31<sup>st</sup> March, 2017. You are required to prepare a Balance Sheet in the vertical form. (15)

Particulars	Rs.	Particulars	Rs.
Sundry Debtors	2,00,000	Prepaid Expenses	1,00,000
Trade Investments	2,50,000	Creditors	4,50,000
Bank Overdraft	1,00,000	Capital Reserve	1,50,000
Public Deposits	3,00,000	Short Term Investments	50,000
Bills Payable	7,90,000	Plant & Machinery	12,00,000
General Reserve	1,00,000	Outstanding Expenses	1,20,000
Bills Receivable	2,00,000	Cash and Bank	7,00,000
Vehicles	9,00,000	Profit and loss A/c (Cr)	4,00,000
10% Preference Share Capital	8,00,000	Stock	5,00,000
Commission on Issue of Shares (not yet w/off)	40,000	Land and Building	12,00,000
Provision for Tax	1,00,000	Equity share capital	16,00,000
Bank Loan	3,00,000	Preliminary Expenses (not yet w/off)	10,000
Advance Tax	3,00,000	Debentures	5,00,000

		Advance to Suppliers	60,000
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Q3. A The summary Balance Sheet of Dinesh Ltd. Are as follows:

(15)

**Balance Sheet as on 31<sup>st</sup> March, 2016 and 2017**

Liabilities	2016	2017	Assets	2016	2017
Equity Share Capital	3,00,000	5,00,000	Goodwill	1,10,000	90,000
General Reserve	-	60,000	Land & Building	1,60,000	1,80,000
Profit & Loss A/c	-	98,000	Plant & Machinery	80,000	2,00,000
Debentures	2,00,000	-	Stock	84,000	1,06,000
Sundry Creditors	1,14,000	92,000	Debtors	1,80,000	1,56,000
Bills Payable	60,000	12,000	Advance Income	-	40,000
Provision for Income Tax	-	50,000	Tax	16,000	24,000
			Bills Receivables	12,000	8,000
			Prepaid Expenses	20,000	8,000
			Cash in Hand	12,000	-
			Profit & Loss A/c		
	<b>6,74,000</b>	<b>8,12,000</b>		<b>6,74,000</b>	<b>8,12,000</b>

**Additional Information:**

- During the year ended 31-03-2017 Depreciation of Rs.16, 000 and Rs.20, 000 have been charged on Land & Building and Plant and Machinery respectively.
  - An Interim Dividend of Rs.15, 000 was paid during the year ended on 31-03-2017.
  - During the year Machinery having book-value of Rs.16, 000 was sold for rs.14, 000.
- Prepare Cash flow statement by Indirect Method for the year ended 31<sup>st</sup> March, 2017.

**OR**

Q3.B The following are the particulars of Vijay & Company for the year 2016-2017. Calculate the working capital estimate for an annual sales of 78, 000 units

(15)

- Cost Sheet

Particulars	Rs. Per unit
Raw Material	40
Wages	20
Overheads	30
Profit	30

- Production and Sales take place evenly throughout the year.
- Raw materials are on eight weeks credit.
- Raw Materials remain in stock for eight weeks.
- Processing period is of two weeks, wherein Raw Material, Wages and Overheads accrue evenly.
- Finished Goods remain in stock for ten weeks.
- Customers are given nine weeks credit.

8. Time lag in payment of wages is four weeks.
9. Time lag in payment of overheads is two weeks.
10. Cash and Bank Balance is maintained at Rs.1, 05, 000.
11. Calculate Debtors on Sales.

Q4.A Prepare a Comparative Revenue Statement in vertical form from the following details.

(15)

**Nilkamal Ltd**  
**Profit & Loss A/c for the year ended 31<sup>st</sup> March**

Particulars	2016	2017	Particulars	2016	2017
To Opening Stock	2,25,000	3,00,000	By Sales	45,00,000	60,00,000
To Purchases	22,50,000	32,10,000	By Closing Stock	3,00,000	3,60,000
To Interest on Debenture	1,50,000	1,50,000	By Dividend	12,000	39,000
To <b>Depreciation</b>			By Profit on Sale of Machinery	24,000	-
Furniture	15,000	15,000			
Machinery	36,000	30,000			
To Administrative Exp	2,94,000	4,41,000			
To Selling Expenses	4,56,000	7,53,000			
To Carriage Outward	75,000	3,15,000			
To Loss by Fire	-	15,000			
To Wages	1,95,000	3,00,000			
To Provision for Tax	5,70,000	4,35,000			
To Net Profit	5,70,000	4,35,000			
	<b>48,36,000</b>	<b>63,99,000</b>		<b>48,36,000</b>	<b>63,99,000</b>

OR

Q4.B Amar Ltd. Requests you to prepare Trend Analysis Statement from the following information:

(15)

Particulars	2016 (Rs)	2017 (Rs)	2018 (Rs)
Equity Share Capital (Rs.10 each)	1,00,000	1,40,000	1,70,000
Profit and Loss Account	59,000	2,00,000	1,50,000
Creditors	75,000	1,00,000	Nil
General Reserve	60,000	2,00,000	1,10,000
Bills Receivable	10,000	20,000	40,000
Fictitious Assets	20,000	32,000	Nil
Trade Investments	Nil	2,00,000	1,00,000
10% Preference Share Capital	50,000	1,00,000	2,00,000
13% Debentures	Nil	1,20,000	1,00,000
Building	1,00,000	2,50,000	4,00,000
Plant & Machinery	64,000	1,50,000	2,30,000
Marketable Investments	50,000	60,000	Nil
Debtors	25,000	30,000	50,000
Bills Payable	75,000	82,000	90,000
Bank	2,00,000	2,00,000	Nil

Q5. a. Difference between Owners fund and Owed Fund.

(8)

b. What is Working Capital? Explain its 6 determinants.

(7)



OR

**Q5. Write Short Notes (Any 3)**

**(15)**

- a. Forms of Expressing Ratios
- b. Comparative analysis Statement
- c. Importance of Management Accounting
- d. Operating Cycle
- e. Liquidity Ratio