

Duration:-2 hrs

Marks:-80

- Instructions: - 1) Attempt any four questions from Q.No.1 to Q.No.6.
2) Figures to the right indicate maximum marks.
3) Start each new question on a fresh page.

Q.1) Adhar ltd had an authorised capital of Rs 12, 00,000 divided into equity shares of Rs 100 each. Prepare Statement of Profit & Loss for the year ending 31st March 2010 & balance sheet as on that date from the following balances given below

Particulars	Amount
Share capital (fully called 9,200 shares of Rs 100 each)	9,20,000
Calls in arrears	15,000
Stock as on 1 st April 2009	1,50,000
Fixtures	14,400
Sundry debtors	1,74,000
Goodwill	50,000
Cash in hand	1,500
Cash at bank	79,800
Wages	1,69,600
General expenses	33,800
Salaries	29,000
Debenture interest upto 30-9-2009	18,000
Bills payable	76,000
Sales	8,30,000
Provision for bad debts	7,000
Premises	6,00,000
Plant & machinery	7,20,000
Interim dividend paid	15,000
Purchases	3,70,000
Preliminary expenses	10,000
Freight	26,200
Directors fees	11,480
Bad debts	4,220
6% debentures	6,00,000
Profit & Loss (credit balance)	29,000
Sundry creditors	1,00,000
General reserve	50,000
4% govt. Securities	1,20,000

Additional information

- 1) Depreciate plant & machinery @ 10% p.a. & furniture @ 5% p.a.
- 2) Write off 1/5th of the preliminary expenses.
- 3) Make provision for bad & doubtful debts at 5% on sundry debtors.
- 4) Provide final dividend at 5%.
- 5) Transfer Rs 20,000 to general reserve.
- 6) Make provision for income tax to the extent of Rs 50,000
- 7) The stock on 31st March 2010 was valued at Rs 2,02,000.
- 8) Rs 20,000 wages were utilised for adding rooms to the premises. No entry has been made for it.
- 9) Interest on debentures for 6 months was outstanding (20 marks)

Q.2) Following is the summary of assets & liabilities of Shiv Shakti Ltd for the years ended 31st March 2011 & 31st March 2012

Liabilities	31 st March 2012	31 st March 2011
Share capital	2,50,000	2,50,000
General reserve	1,10,000	1,00,000
Profit & loss a/c	16,000	20,000
Bank loan	50,000	-----
Creditors	86,000	79,000
Provision for tax	15,000	22,500
Total	<u>5,27,000</u>	<u>4,71,500</u>
Assets	31 st March 2012	31 st March 2011
Land & building	1,00,000	90,000
Plant & machinery	1,38,000	1,05,000
Other fixed assets	22,500	15,000
Investments	25,000	25,000
Stock	95,000	1,00,000
Debtors	97,500	85,000
Bank	49,000	51,500
Total	<u>5,27,000</u>	<u>4,71,500</u>

The following additional information is given to you

- 1) Provide depreciation on land & building Rs 2,500 & on plant & machinery Rs 10,000.
- 2) Dividend of Rs 15,000 was paid during the year.
- 3) Machinery with a book value of Rs 7,500 was sold at a loss of Rs 1,500.
- 4) Investments costing Rs 5,000 was sold for Rs 6,000.
- 5) Provision for tax made during the year was Rs 6,000.

Prepare Cash Flow Statement during the year ended 31st March 2012

(20 marks)

Q.3) Following are the details of accounts of SonyTerrison for the year ending 31st March, 2014:

Particulars	(Rs.)	Particulars	(Rs.)
Cost of goods sold	6,20,700	Sales(Net)	8,00,000
Income Tax paid	35,000	Net Profit Before Tax	64,000
Interest Paid	29,000	Outstanding Expenses	6,700
Fixed Assets	7,20,000	6% Preference Share Capital	2,50,000
Marketable Investments	60,000	Equity Share Capital	3,00,000
Non-marketable Investments	1,95,000	Capital Reserve	32,000
Closing Stock	43,000	General Reserve	73,400
Sundry Debtors	1,15,000	Profit and Loss A/c	15,400
Advances	1,200	8% Debentures	1,80,000
Cash and Bank Balances	53,600	Bank Loan(long-term)	1,20,000
Underwriting Commission	17,000	Sundry Creditors	48,000

From the above details calculate the following ratios:

- a) Current Ratio b) Liquid Ratio c) Proprietary Ratio
d) Capital Gearing Ratio e) Gross Profit Ratio f) Debt Equity Ratio
g) Return on Equity Share Capital · h) Return on Proprietors' Fund
i) Debtors Turnover Ratio j) EPS

(20 Marks)

Q.4 A) from the following information of King & Queen Ltd Prepare common size statements for the year ended 31st March 2011

Liabilities	Amount	Assets	Amount
Equity share capital	1,00,000	Cash in hand	2,000
10% Preference share capital	1,00,000	Cash at bank	10,000
7% debentures	40,000	Bills receivable	30,000
8% bank loan	40,000	Investments	20,000
Bank overdraft	20,000	Debtors	70,000
Creditors	60,000	Stock	40,000
Outstanding expenses	7,000	Furniture	30,000
Proposed dividend	10,000	Machinery	1,00,000
Reserves	1,50,000	Goodwill	35,000
Provision for tax	20,000	Preliminary expenses	10,000
Profit & loss a/c	20,000	Land	2,20,000
	5,67,000		5,67,000

(10 marks)

B) From the following data of Motocola Ltd., prepare Funds Flow statement for the year ended 31st March, 2014:

	31.03.2013 Rs.	31.03.2014 Rs.		31.03.2013 Rs.	31.03.2014 Rs.
Patents	60,000	50,000	Share Capital	3,00,000	3,60,000
Machinery	2,50,000	2,00,000	Reserves & Surplus	1,40,000	1,90,000
Stock	1,20,000	1,80,000	Debentures	50,000	
Debtors	1,50,000	1,90,000	Creditors	1,10,000	90,000
Cash	20,000	30,000	Bills Payable	-	10,000

Additional information:

a) Machinery worth Rs. 60,000 was sold for Rs. 65,000.

(* Increase in Working Capital is Rs. 1,20,000. Schedule showing changes in Working Capital need not be prepared.) (10 Marks)

Q.5) From the following information of AFM Ltd for the years ended 31st March 2011 & 31st March 2012, Prepare Comparative Statement of Profit & Loss & Balance Sheet.

Liabilities	31-3-2011	31-3-2012
Share capital	10,00,000	15,00,000
General Reserve	6,00,000	1,00,000
P&L A/c	50,000	3,00,000
Bank overdraft	-----	6,50,000
Mortgage loan	-----	4,00,000
Provision for tax	1,00,000	1,50,000
Creditors	3,00,000	2,00,000
Bills payable	1,00,000	3,00,000
	21,50,00	36,00,000
Assets		
Land & building	8,00,000	7,50,000
Plant	4,20,000	8,50,000
Furniture	70,000	60,000
Investment	60,000	1,20,000
Stock	2,75,000	9,45,000
Cash	20,000	72,500
Preliminary expenses	40,000	30,000
	21,50,00	36,00,000

(20 marks)

6. Write short notes on **any four** from the following:

a) Merits and demerits of using trend analysis

b) Purpose of Funds Flow Statements

c) Mention five sources and applications of Funds as indicated under Funds Flow Statement

d) Benefits of Cash Flow Statement