

Assignment- 2017- 2018

T.Y.Bcom
Management Accounting-1

Que.1.The Balance Sheet of Atul Co. Ltd. are as under.

Liabilities	31-3-2016 (Rs.)	31-3-2017 (Rs.)	Assets	31-3-2016 (Rs)	31-3-2017 (Rs)
Equity share Capital (each of Rs.10)	2,00,000	3,00,000	Goodwill	62,000	50,000
10 % Redeemable pref.shares (each Rs.10/- Rs.8 paid up)	80,000	4,000	Land and Building	2,70,000	2,20,000
Profit & Loss Account	1,00,000	1,80,000	Machinery (cost price)	30,000	2,00,000
General Reserve	80,000	1,05,000	Furniture	33,000	69,000
Security premium	9,500	250	Debtors	45,000	60,000
Capital Reserve	2,000	20,000	Bills Receivable	30,000	40,000
Capital Redemption Reserve	-----	45,000	Cash-Bank	42,000	1,20,000
15 % Debentures	-----	50,000	Stock	40,000	1,00,000
18% Bank loan	-----	40,000	Preliminary expenses	15,000	10,000
Provision for taxes	40,000	52,000	Debentures discount	6,000	1,000
Creditors	15,000	20,000			
Bills payable	4,500	18,000			
Outstanding expenses	22,000	5,750			
Depreciation fund on machinery	20,000	30,000			
	5,73,000	8,70,000		5,73,000	8,70,000

Additional Information:

- (1) Bonus shares were issued during the Year from general reserve in proportion of 4:1.
- (2) Dividend was declared at 18 % in the Year 2017 on Equity shares for the year 2016.
- (3) Debentures were issued at a discount of 10 % during the year.
- (4) A notice was issued for redemption of pref.shares and unpaid instalment on the shares was called, However call money was received fully on all shares except 500 shares and pref.shares were redeemed at 15 % premium on 30-6-2016.For this purpose equity shares were issued at 10 % premium and the rest paid out of profit.
- (5) Final liability for 2016 was determined to be Rs.30,000 and it was paid up. The surplus from provision for taxes was transferred to general reserve.
- (6) A machine costing Rs.30,000 on which the accumulated depreciation was Rs.8,000 was sold for Rs.18,000
- (7) A piece of land was sold and the profit was transferred to capital reserve .no amount was transferred to capital reserve except this amount.
- (8) A loan of Rs.50,000 was obtained from the bank on 1-4-2016.It was to be repaid in five equal instalments at the end of each year.

Prepare cash flow Statement as per AS-3

Que.2. Following is the Balance sheet of Roshan Ltd.as on 31-03-2017

Particulars	Rs.	Rs.
<u>Sources of Funds</u>		
1 .Shareholders Funds:		
Equity share capital	25,00,000	
10 % Preference share capital	5,00,000	
Reserves and Surplus	<u>10,00,000</u>	40,00,000
2 . Loan Funds :		
10% Debentures		<u>10,00,000</u>
		<u>50,00,000</u>
<u>Application of Funds :</u>		
1. Fixed Assets		35,00,000
2. Investments		3,00,000
3. Current Assets :		
Stock	6,00,000	
Debtors	2,00,000	
Bills receivable	1,00,000	
Cash and Bank balance	<u>9,00,000</u>	
	18,00,000	
Less : Current Liabilities :		
Creditors	5,00,000	
Bills payable	<u>1,00,000</u>	
	<u>6,00,000</u>	<u>12,00,000</u>
		<u>50,00,000</u>

Additional information :

Particulars	Rs.
Sales (40 % Cash sales)	20,00,000
Less : Cost of goods sold	<u>8,00,000</u>
Gross profit	<u>12,00,000</u>
Net profit (Before interest and tax at 50 %)	6,00,000
Less : Interest on debentures	<u>1,00,000</u>
	5,00,000
Less : Provision for taxation at 50 %	<u>2,50,000</u>
	<u>2,50,000</u>
Opening Stock	2,00,000

Calculate Following Ratios :

1. Net profit Ratio
2. Stock turnover Ratio
3. Gearing Ratio
4. Current Ratio
5. Return on Equity Share capital
6. Debtors Ratio (360 days to be taken for the year)

Que. 3 (A) Explain the importance and utility of Accounting Ratios.

(B) Discuss the limitations of Ratio Analysis.

Que. 4.(A) Explain the difference between a cash flow statement and fund flow statement.

(B) Write short notes on Advantages of cash budget.

Q ue.5..Prepare cash Budget from the following information for the month of march to may 2017

Month	Sales (Rs)	Closing stock (Rs)	Total overhead Expenses (Rs)
January	2,00,000	25,000	30,000
February	2,50,000	37,500	37,500
March	3,00,000	62,500	50,000
April	4,00,000	75,000	45,000
May	3,50,000	68,750	50,000
June	3,75,000	62,500	37,500

Additional Information:

- (1)Dt.01-3-2017 cash balance Rs.1,25,000
- (2)An old furniture is to be sold for Rs.75,000 in April 2017
- (3) Assume 60% of total sales are credit sales and 40% of cash sales.
- (4)Purchases are made for cash.
- (5)Goods are sold at a profit of $33\frac{1}{3}\%$ on cost price.
- (6) 50% of credit sales are realized in the month following the sales and remaining 50% in the second month, following the sales.
- (7)Income tax paid for Rs.25,000 in April 2017
- (8)Total overhead expenses included monthly fixed overheads expenses of Rs.12,500 which is paid in the same month. Variable overhead expenses are paid in the subsequent month.
- (9) A New machine is to be bought Rs.1,25,000 in April 2017, the payment of which is made 80% against delivery and the remaining amount in the subsequent month.