



12.a) Opening Stock Rs.29,000; Closing Stock Rs.31,000; Purchases Rs.2,42,000. Calculate stock turnover ratio.

(OR)

b) Calculate Average collection period from the following  
Credit sales for the year Rs.30,000; Debtors Rs.2,500; Bills Receivable Rs.3,000.

13. a) Find out the provision for income tax made during the financial year 2003-04:

Balance of Provision for Tax on 1.4.2003 Rs.2,65,000

Balance of provision for Tax on 31.3.2004 Rs.2,90,000

Tax paid during 2003-2004 Rs.3,00,000

(OR)

b) Calculate the Net cash flow from financing activities from the following details:

i) Issue of debentures for cash Rs.20,00,000

ii) Long term loan from Bank Rs.5,00,000

iii) Redemption of preference shares Rs.6,00,000

iv) Purchase of land Rs.9,00,000

14. a) Prepare a production budget from the following information

Product	Estimated Stock on 1.1.07 (units)	Estimated sales during January to March 2007 (units)	Desired closing stock on 31.3.07 (units)
R	2,000	10,000	3,000
S	3,000	15,000	5,000
U	4,000	13,000	3,000
P	3,000	12,000	2,000

(OR)

b) Ascertain cash paid in June 2007

Purchases: April Rs.60,000; May Rs.75,000; June Rs.50,000

Credit terms: Purchases are 50% on cash basis and the balance payable after a lag of 2 months.

15. a) Siva Ltd. presents the following results for one year. Calculate the P/V ratio, BEP and margin of safety.

Sales Rs. 2,00,000

Variable costs Rs. 1,20,000

Fixed cost Rs. 50,000

New profit Rs. 30,000.

(OR)

c) Sales Rs.1,00,000; Profit Rs.10,000; Variable cost 70%; find out P/V Ratio, Fixed cost, Sales to earn a profit of Rs.40,000.

### SECTION – C

(5 X 8 = 40 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.

(K4 (Or) K5)

16. a) Differentiate between financial accounting and management accounting.

(OR)

b) Explain the scope of Management Accounting.

17. a) From the following details, find out

i) Current assets ii) Current liabilities iii) Liquid assets iv) Stock

Current Ratio 2.5; Liquid Ratio 1.5; Working capital Rs.90,000

(OR)

(CONTD.....3)

- b) From the following Balance Sheet, Calculate  
 i) Current ratio ii) Liquid ratio iii) Debt-Equity Ratio iv) Proprietary ratio

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
Share Capital	5,00,000	Fixed Assets	14,00,000
Reserves	3,00,000	Stock	5,00,000
6% Debentures	11,00,000	Debtors	2,00,000
Bank Overdraft	1,00,000	Cash	1,00,000
Creditors	2,00,000		
	22,00,000		22,00,000

18. a) From the following details prepare funds flow statement

<b>Liabilities</b>	<b>1990 (Rs.)</b>	<b>1991 (Rs.)</b>	<b>Assets</b>	<b>1990 (Rs.)</b>	<b>1991 (Rs.)</b>
Share capital	2,00,000	2,50,000	Land & Building	2,00,000	1,90,000
General Reserve	50,000	60,000	Plant	1,50,000	1,74,000
Bank loan (Short term)	70,000	–	Stock	1,00,000	74,000
Trade creditors	1,50,000	1,35,200	Debtors	80,000	64,200
P & L A/C	30,500	30,600	Cash	500	600
Provision for tax	30,000	35,000	Bank	–	8,000
<b>TOTAL</b>	<b>5,30,500</b>	<b>5,10,800</b>	<b>TOTAL</b>	<b>5,30,500</b>	<b>5,10,800</b>

Additional Information:

- (i) Depreciation was written off plant Rs. 14,000 in 1991.  
 (ii) Dividend of Rs. 20,000 was paid during 1991.  
 (iii) Income tax provision made during the year was Rs. 25,000.

(OR)

- b) The following details are available from a company

**Balance Sheet**

<b>Liabilities</b>	<b>31.12.07 (Rs.)</b>	<b>31.12.08 (Rs.)</b>	<b>Assets</b>	<b>31.12.07 (Rs.)</b>	<b>31.12.08 (Rs.)</b>
Share capital	70,000	74,000	Cash	9,000	7,800
Debentures	12,000	6,000	Debtors	14,900	17,700
Reserve and surplus	700	800	Stock	49,200	42,700
Trade creditors	10,360	11,840	Land	20,000	30,000
P & L A/C	10,040	10,560	Goodwill	10,000	5,000
<b>TOTAL</b>	<b>1,03,100</b>	<b>1,03,200</b>	<b>TOTAL</b>	<b>1,03,100</b>	<b>1,03,200</b>

In addition you are given:

- (i) Dividend paid total Rs. 3,500.  
 (ii) Land was purchased for Rs. 10,000  
 (iii) Amount provided for Amortization Goodwill Rs. 5,000.  
 (iv) Debentures paid off Rs. 6,000.

Prepare cash flow statement as per AS3.

19. a) The expenses for Budget production of 10,000 units in a factory are as follows :

Particulars	Per unit Rs.
Material	70
Labour	25
Variable overhead	20
Fixed overhead (Rs. 1,00,000)	10
Variable expenses	5
Selling exps. (10% Fixed)	13
Distribution exp. (20% Fixed)	7
Admn. exps. (Rs. 50,000)	5
<b>Total cost per unit</b>	<b>155</b>

Prepare a flexible budget for (i) 8000 units and (ii) 6000 units.

(OR)

b) Draw up a flexible budget for production at 75% and 100% capacity on the basis of the following data for a 50% activity.

Details	Per units Rs.
Materials	100
Labour	50
Variable expenses (direct)	10
Administrative expenses (50% fixed)	40,000
Selling and distribution expenses (60% fixed)	50,000
Present production (50% activity)	1000 units

20.a) The sales turnover and profit during two year were as follows:

Year	Sales Rs.	Profit Rs.
2008	1,40,000	15,000
2009	1,60,000	20,000

You are required to calculate :

- (i) P/V ratio
- (ii) BEP
- (iii) Sales required to earn a profit of Rs. 40,000
- (iv) The profit made sales are Rs. 1,20,000.

(OR)

- b) You are given the following data for the year 2007 of a concern  
 Variable cost Rs.6,00,000; Fixed cost Rs.3,00,000; Net Profit Rs.1,00,000; Sales Rs.10,00,000. Find a) P.V. Ratio b) BEP c) Profit when sales is Rs.12,00,000  
 d) Sales in rupees to earn a profit of Rs.2,00,000.

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