



JD-010-001602

Seat No. _____

B. B. A. (Sem. VI) (CBCS) Examination

August – 2019

602 : Management Accounting - II
(Old Course)

Faculty Code : 010

Subject Code : 001602

Time : $2\frac{1}{2}$ Hours]

[Total Marks : 70

- Instructions :** (1) All questions carry equal marks.
(2) Show working notes as a part of your answer.

- 1 The following are the Balance Sheets of B Ltd., prepare 14
Fund Flow Statement :

Balance Sheets as on 31st December

Liabilities	2017	2018	Assets	2017	2018
	Rs.	Rs.		Rs.	Rs.
Share Capital	3,00,000	3,60,000	Land and		
Reserves	75,000	85,000	Building	2,80,000	2,60,000
Profit and			Plant and		
Loss A/c.	40,000	56,000	Machinery	1,40,000	1,53,000
Bank Loan	30,000	–	Goodwill	–	5,000
Provision for			Working		
taxation	35,000	49,000	capital	60,000	1,32,000
	4,80,000	5,50,000		4,80,000	5,50,000

Addition Information :

- (1) Company paid a dividend at 10.5% on the opening share capital.
(2) New share capital was issued to a vendor for a new business sold by him comprising of stock of Rs. 30,000 and machinery Rs. 25,000.

- (3) A new machinery was purchased for Rs. 8,000 during the year.
- (4) Depreciation written off during the year : Building Rs. 20,000, machinery Rs. 20,000.
- (5) Last year's Income tax assessment was completed resulting in a gross liability of Rs. 31,500 which was paid during the year.

OR

- 1 From the following information of Ami Limited make out 14
 (1) Statement showing the changes in the working capital
 and (2) Statement of sources and applications of funds :

Liabilities	2008 Rs.	2009 Rs.	Assets	2008 Rs.	2009 Rs.
Equity Shares	3,00,000	4,00,000	Goodwill	1,00,000	80,000
Preference Shares	50,000	1,00,000	Land (at cost)	50,000	90,000
Capital Reserve	30,000	20,000	Machinery (at cost)	2,60,000	3,20,000
Profit and Loss Account	30,000	68,000	Debtors	1,43,000	2,30,000
Red. Debenture Capital Reserves	–	1,000	Cash	37,000	55,000
5% Debentures	1,00,000	75,000	Prepaid Taxation	16,000	14,000
Creditors	45,000	76,000	Stock	77,000	1,00,000
Provision for Taxation	18,000	15,000	Preliminary Exp.	17,000	11,000
Proposed Dividend	42,000	50,000			
Provision for Depreciation (Machinery)	85,000	95,000			
	7,00,000	9,00,000		7,00,000	9,00,000

Additional Information :

- (1) While preparing Profit and Loss Account on 31-12-2009 Stock was valued at cost price plus 10%. But while preparing the Balance Sheet stock was valued at cost price. Stock now appears in the Balance Sheet at Rs. 1,00,000. The adjustment was made in the Capital Reserve A/c.
- (2) During the year 2009 Machinery costing Rs. 15,000 (on which accumulated depreciation is Rs. 8,000) was sold for Rs. 5,000. The loss on same has been debited to Profit and Loss A/c.
- (3) Income tax of Rs. 14,000 and interim dividend of Rs. 25,000 are paid during the year 2009.

2 From the following Balance Sheets Krishna Limited prepare **14** Cash Flow Statement as per AS-3 :

Liabilities	01-01-11	31-12-11	Assets	01-01-11	31-12-11
Share Capital	6,00,000	8,00,000	Goodwill	1,50,000	1,00,000
P. & L. A/c.	1,50,000	4,00,000	Land-buildings	2,50,000	1,00,000
10% Deb.	2,00,000	–	Plant-Machinery	4,00,000	3,60,000
Bank loan	–	3,00,000	Investments	–	5,00,000
Pro. for tax	1,00,000	1,50,000	Debtors	80,000	2,40,000
Creditors	50,000	90,000	Stock	50,000	2,10,000
Bills payable	–	60,000	Cash	80,000	1,70,000
			Bank	90,000	1,20,000
	11,00,000	18,00,000		11,00,000	18,00,000

Additional Information :

- (1) Dividend of Rs. 90,000 is paid during the year.
- (2) Land-buildings were sold at a profit of Rs. 50,000.

OR

2 From the following Balance-Sheets of X Co. Ltd., make 14
out Cash Flow Statement.

Balance Sheets

Liabilities	31-03-11	31-03-12	Assets	31-03-11	31-03-12
	Rs.	Rs.		Rs.	Rs.
Equity Share			Goodwill	1,15,000	90,000
Capital	3,00,000	4,00,000	Land & Building	2,00,000	1,70,000
8% Redeemable			Machineries	80,000	2,00,000
Preference			Debtors	1,60,000	2,00,000
Share Capital	1,50,000	1,00,000	Stock	77,000	1,09,000
General Reserve	40,000	70,000	Bills Receivable	20,000	30,000
Profit and			Cash on Hand	15,000	10,000
Loss A/c	30,000	48,000	Bank Balance	10,000	8,000
Proposed					
Dividend	42,000	50,000			
Creditors	55,000	83,000			
Bills Payable	20,000	16,000			
Provision for					
Taxation	40,000	50,000			
	6,77,000	8,17,000		6,77,000	8,17,000

Additional Information :

- (1) During the year 2011-2012 depreciation was charged Rs. 10,000 on machineries and Rs. 30,000 on land & building.
- (2) Interim dividend paid during 2011-2012 amounted to Rs. 20,000.
- (3) Taxation paid during the year 2011-2012 was Rs. 35,000.

3 The following is the Profit & Loss Account of Madhav 14
Textiles Ltd. for the year ending 31st March, 2018 :

Dr.		Cr.	
Particulars	Amt. Rs.	Particulars	Amt. Rs.
To Salaries	5,00,000	By Gross Profit	17,50,000
" Advertisement	1,50,000	" Profit on sales	
" Printing & Stationery	10,000	of previous year	25,000
" Rent	80,000	" Income from non-	
" Legal Expenses	70,000	trading investments	15,000
" Interest on Bank loan	2,000	" Surplus from foreign	
" Goodwill written off	6,500	exchange conversion	12,500
" Loss on sale of			
Machinery	1,600		
" Depreciation :			
Plant & Machinery	2,05,400		
Furniture	15,000		
Building	50,000		
Net Profit	7,12,000		
	18,02,500		18,02,500

Additional Information :

- (1) Legal expenses include Rs. 10,000 being expenses of exceptional nature.
- (2) It is now decided to compute capital employed on the basis of replacement costs and for that purpose additional depreciation of Rs. 95,000 is necessary.

- (3) Profit of Rs. 35,000 on completed contracts has not been accounted for in the above profit.

Compute the Net Profit for the purpose of calculating return on capital employed.

OR

- 3** (A) From the Books of Gopi Ltd. the following details **7**

are obtained :

Net sales Rs. 50,00,000

Net Operating Profit Rs. 12,00,000

Average total Assets Rs. 30,00,000

Share holders Equity Rs. 20,00,000

Net Profit after interest

and tax Rs. 7,00,000.

You are required to compute : :

(1) Return on capital employed for management.

(2) Return for shareholders purpose.

- (B) The total Assets of Murlidhar Ltd. during 2017 is **7**

Rs. 50,00,000 and it's sales were Rs. 80,00,000. It's net profit after tax is Rs. 3,00,000. Tax rate is 40%.

The Budgeted figures for the year 2018 are as follows :

Sales Rs. 90,00,000 and profit after tax
Rs. 3,30,000. Total Assets Rs. 60,00,000.

If the Budgeted figures are attained. What will be the change in return on capital employed ? Why ?

- 4 Write notes on : (any two) 14
- (1) Discuss the significance of ALM.
 - (2) Describe the process of ALM.
 - (3) Explain objectives and importance of ALM.
 - (4) Legal frame work of ALM.
- 5 Explain in detail : (any two) 14
- (1) Transfer pricing
 - (2) Divisional performance evaluation
 - (3) Responsibility centres
 - (4) Advantages/importance of Responsibility Accounting.
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