



BBN-010-001602

Seat No. _____

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

July - 2021

Paper - 602 : Management Accounting - II
(Old Course)

Faculty Code : 010

Subject Code : 001602

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

[Total Marks : 70

1 The following are the condensed Balance Sheet of 14
the NEELMADHAV Co. Ltd. As on 31st March

Liabilities	31-3-18	31-3-19	Assets	31-3-18	31-3-19
Equity Share			Fixed Assets		
Capital	1,00,000	1,50,000	(Net)	1,30,000	2,23,000
General Reserve	60,000	20,000	Investments	15,000	12,000
P & L A/c	10,000	12,000	Stock	10,000	15,000
10% Debentures	—	50,000	Sundry Debtors	55,000	35,000
Sundry Creditors	45,000	51,000	Cash and Bank		
Provision for			Balance	12,000	9,000
Taxation	15,000	17,000	Prilimnary Exp.	8,000	6,000
	2,30,000	3,00,000		2,30,000	3,00,000

Additional Information :

- (1) On 1-4-2018 bonus shares at one share for every two shares were issued by capitalising general reserve.
- (2) Income tax of Rs. 14,000 was paid during the year.
- (3) Interim dividend of Rs. 9,000 was paid during the year.
- (4) Depreciation of Rs. 5,000 was provided on fixed assets.
- (5) Investments costing Rs. 5,000 were sold at a profit of Rs. 1,000 and the profit was credited to P & L A/c.

From the above information, prepare statement of Sources and Application of Funds and a Statement showing Changes in Working Capital.

OR

1 The Balance Sheet of JAY Ltd. 31-3-2018 and 31-3-2019 14 was given below. Prepare statement of Sources and Application of Funds.

Labilities	31-3-18	31-3-19	Assets	31-3-18	31-3-19
Share Capital	3,00,000	4,00,000	Fixed Assets at		
Capital Reserve	—	10,000	Cost	8,00,000	9,50,000
General Reserve	1,70,000	2,00,000	Less: Depreciation	2,30,000	2,90,000
P & L A/c.	60,000	75,000		5,70,000	6,60,000
Debentures	2,00,000	1,40,000	Investments	1,00,000	80,000
Current Liabilities	1,20,000	1,30,000	Current Assets	2,80,000	3,30,000
Provision for Tax	90,000	85,000	Preliminary		
Proposed Dividend	30,000	30,000	Expenses	20,000	10,000
Unpaid Dividend	—	4,000			
	9,70,000	10,80,000		9,70,000	10,80,000

During the year 2018-19 the company :

- (1) Sold one machine for Rs. 25,000 the cost of which was the depreciation provided on it was Rs. 21,000 ?
- (2) Provided Rs. 95,000 as depreciation.
- (3) Redeemed 30% of debentures at Rs. 103.
- (4) Sold some trade investments at a profit which was credited to Capital Reserve.
- (5) Decided to value stock at cost whereas previously the practice was to value stock at cost less 10%. The stock according to books on 31-3-2018 was Rs. 54,000. The stock on 31-3-2019 was correctly valued at cost Rs. 75,000
- (6) Write off fixed assets costing Rs. 14,000 which is fully depreciated ?
- (7) Income tax of Rs. 90,000 was paid.

2 Form the following Balance Sheet and other information 14
of MEHUL Ltd. prepare cash flow statement.

Liabilities	31-3-18	31-3-19	Assets	31-3-18	31-3-19
Share Capital	3,00,000	4,00,000	Fixed Assets		
Capital Reserve	–	10,000	at Cost	8,00,000	9,50,000
General Reserve	1,70,000	2,00,000	Less: Depreciation	<u>2,30,000</u>	<u>2,90,000</u>
P & L A/c	60,000	75,000		5,70,000	6,60,000
Debentures	2,00,000	1,40,000	Investments	1,00,000	80,000
Current Liabilities	1,20,000	1,30,000	Current Assets	2,80,000	3,30,000
Provision for Tax	90,000	85,000	Preliminary		
Proposed Dividend	30,000	30,000	Expenses	20,000	10,000
Unpaid Dividend	–	4,000			
	9,70,000	10,80,000		9,70,000	10,80,000

During the year 2018-19 the company :

- (1) Sold one machine for Rs. 25,000 the cost of which was the depreciation provided on it was Rs. 21,000 ?
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- (5) Decided to value stock at cost whereas previously the practice was to value stock at cost less 10%. The stock according to books on 31-3-2018 was Rs. 54,000. The stock on 31-3-2019 was correctly valued at cost Rs. 75,000.
- (6) Write off fixed assets costing Rs. 14,000 which is fully depreciated ?
- (7) Income tax of Rs. 90,000 was paid.

OR

2 The balance Sheet of AKASH Ltd. is as under :

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Particulars	Note No.	31-12-2018 Rs.	31-12-2019 Rs.
(A) Equity and Liabilities :			
(1) Shareholder's Funds :			
(A) Share Capital :			
Equity Share Capital			
(of Rs. 10 each)		2,00,000	3,00,000
10% Redeemable Pref.			
Shares (each of Rs. 10,			
Rs. 8 paid up)		80,000	4,000
(B) Reserve & Surplus			
Profit & Loss A/c		1,00,000	1,80,000
General Premium		80,000	1,05,000
Securities Premium		9,500	250
Capital Reserve		2,000	20,000
Capital Redemption Reserve		—	45,000
(2) Non-Current Liabilities :			
15% Debentures		—	50,000
18% Bank Loan		—	40,000
(3) Current Liabilities :			
Provision for Taxation		40,000	52,000
Creditors		15,000	20,000
Bill Payable		4,500	18,000
Outstanding Expenses		22,000	5,750
Machinery Depreciation Fund		20,000	30,000
Total		5,73,000	8,70,000

(B) Assets :			
(1) Non-Current Assets :			
(A) Fixed Assets :			
Goodwill		62,000	50,000
Land & Building		2,70,000	2,20,000
Machinery (cost price)		30,000	2,00,000
Furniture		33,000	69,000
(B) Other Non-Current Assets :			
Preliminary Expenses		15,000	10,000
Debentures Discount		6,000	1,000
(2) Current Assets :			
Stock		40,000	1,00,000
Debtors		45,000	60,000
Bills Receivable		30,000	40,000
Cash & Bank Balance		42,000	1,20,000
Total		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 2008 on Equity Shares for the year 2018.
- (3) Debentures were issued at a discount of 10% during the year.
- (4) A notice was issued for redemption of Preference Shares and unpaid installment on the shares was called. However, call money was received full on all shares except 500 shares and Preference shares were redeemed at 15% premium on 30-6-2019. For this Equity Shares were issued at 10% premium and the rest paid out of profit.

- (5) Final liability for taxes for 2018 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 1-1-2019 It was to be repaid in five equal installments at the end of each year.

Prepare Cash Flow Statement :

- 3** The following information is available from the Final Accounts of a company **14**

	Rs. (in lacs)
20,00,000 equity shares of Rs. 10 each.....	200
General Reserve	150
Investment Reserve	50
15% long term loan	300
Profit before tax.....	140
Tax reserve	84
Dividend payable.....	10

Calculate :

- (1) ROI on total capital employed
- (2) ROI on shareholders Fund.

OR

3 Balance sheet of NITIN Ltd is as under :

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Liabilities	31-3-19	31-3-18	Assets	31-3-19	31-3-18
Share Capital	250	250	Fixed Assets	400	300
Reserve	116	100	Less: depreciation	140	100
Loan	100	120		<u>260</u>	<u>200</u>
Creditors & others liab.	129	25	Investment	40	30
			Stock	120	100
			Debtors	70	50
			Cash-bank	20	20
			Other current assets	25	25
			Misc. Exp not wri. off	60	70
	595	495		595	495

Detail regarding 2018-19 are available as under :

Sale	Rs. 600
Profit before interest and tax	Rs. 150
Interest	Rs. 24
Tax Reserve	Rs. 60
Dividend payable	Rs. 50

All figures shown above are in lac Rs.

Calculate :

- (1) ROI on capital employed
- (2) ROI on shareholders fund

4 Describe the process of ALM

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OR

4 Explain objective and importance of ALM

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5 Write Short Note : (Any **Two**)

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- (1) Profit centre
 - (2) Limitation of Responsibility Accounting
 - (3) Cost centre
 - (4) Evaluation of Investment Centre as per ROI
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