



DCL-161100010605

Seat No. _____

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

July - 2022

Management Accounting

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

[Total Marks : 70

- 1 The Balance Sheet of Arun Com. Ltd for the year 2010-11 14
is as under.

Liabilities	2011	2010	Assets	2011	2010
Share capital			Building	4,80,000	3,45,000
Equity shares			Stock	2,34,000	2,34,000
each			Land	2,00,000	4,00,000
of Rs. 10	15,00,000	12,00,000	Plant	17,00,000	15,00,000
10 % Pref.			Debtors	8,46,000	10,56,000
shares of Rs.10			Cash		
each Rs. 8			Balance	2,00,000	1,55,000
called up	-	8,00,000	Pre paid		
Security			Exp.	30,000	25,000
Premium	-	30,000	Bills		
Capital			Receivable	60,000	35,000
reserve	50,000	-	Mis. Exp	2,50,000	2,50,000
Capital					
Red. Fund	7,00,000	-			
General					
Reserve	4,00,000	9,00,000			
P & L A/c	5,00,000	4,00,000			
Provident					
Fund	1,00,000	80,000			
Creditors	1,50,000	2,00,000			
Bills payable	6,00,000	3,90,000			
	40,00,000	40,00,000		40,00,000	40,00,000

Additional Information :

- (1) During the year 2011 the company decide to value stock at cost where as previously the practice was to value stock at cost less 10%. The stock on 31-12-2011 was correctly valued.
- (2) During the year the company has redeemed red. Pref shares at 5% premium after complying necessary requirement of the Act. For this purpose the company transferred Rs. 7,00,000 to capital redemption fund from general reserve and necessary new equity shares were issued.
- (3) The Company paid a dividend at 25% to equity share holders on the closing balance of equity capital.
- (4) Rs. 1,50,000 were provided for depreciation on plant. During the year one Plant, whose book value was Rs. 50,000 was sold at a loss of Rs. 10,000.
- (5) A piece of land has been sold out and profit was transferred to capital reserve.

Prepare the Statements of changes in working capital and fund flow statement.

OR

- 1 The Balance Sheets of Ravi Com. Ltd for the year 2014 and 2015 are as under : 14

Liabilities	2014	2015	Assets	2014	2015
Share capital			Building	4,80,000	3,45,000
Equity shares			Stock	2,84,000	3,34,000
each of Rs. 10	15,00,000	12,00,000	Land	2,00,000	4,00,000
10% Pref.			Plant	17,00,000	15,00,000
shares of			Debtors	8,46,000	10,56,000
Rs.10 each			Cash		
Rs.8 called up	—	9,00,000	Balance	2,00,000	1,55,000
Security			Pre paid Exp.	30,000	25,000
Premium		30,000	Bills		
Capital			Receivable	60,000	35,000
reserve	50,000	—	Mis. Exp.	2,50,000	2,50,000

Capital Red.				
Fund	7,50,000	—		
General				
Reserve	4,00,000	9,00,000		
P & L A/c.	5,00,000	4,00,000		
Provident				
Fund	1,00,000	80,000		
Creditors	1,50,000	2,00,000		
Provision				
of tax	6,00,000	3,90,000		
	40,50,000	41,00,000	40,50,000	41,00,000

Additional Information :

- (1) During the year 2015 the company decide to value stock at cost where as previously the practice was to value stock at cost less 5%. The stock on 31-12-2015 was correctly valued.
 - (2) During the year the company has redeemed red. Pref. shares at 7% premium after complying necessary requirement of the Act. For this purpose the company transferred Rs. 7,50,000 to capital redemption fund from general reserve and necessary new equity shares were issued.
 - (3) Rs. 1,50,000 were provided for depreciation on plant. During the year one Plant, whose book value was Rs. 50,000 was sold at a loss of Rs. 10,000
 - (4) A piece of land has been sold out and profit was transferred to capital reserve.
 - (5) Provide 10% Depreciation on building.
 - (6) Income tax of last year of Rs. 1,00,000 was paid.
- Prepare Fund Flow Statement.

- 2 The Balance Sheets of Vijay Com. Ltd as on 31-3-2011 and 14
31-3-2012 are as given below. Prepare Cash Flow Statement.

Liability	Amt	Amt	Assets	Amt	Amt
Equity share capital	3,90,000	5,20,000	Goodwill	16,000	10,000
General Reserve	2,21,000	2,60,000	Machinery	4,00,000	4,00,000
Capital Reserve	—	13,000	Land- Building	6,40,000	8,35,000
Profit and Loss A/c.	78,000	97,500	Investments	1,30,000	1,04,000
Debentures	2,60,000	1,82,000	Debtors	2,50,000	2,80,000
Creditors	1,00,000	69,000	Stock	1,14,000	1,23,000
Bills Payable	56,000	1,00,000	Cash	10,000	29,000
Provision for Taxation	1,17,000	1,10,500			
Provision for depreciation on fixed Asset	2,99,000	3,77,000			
Proposed Dividend	39,000	46,800			
Unpaid Dividend (2010-11)	—	5,200			
	15,60,000	17,81,000		15,60,000	17,81,000

During the year 2011-12 the company :

- (1) Sold one machine for Rs. 32,500, the cost of which was Rs. 65,000 and the depreciation provided on it was Rs. 27,300. Beside a machine costing Rs. 18,000 is to be written off (which is fully depreciated).
- (2) Depreciation provided on land and building was Rs. 43,300 and on machinery was Rs. 80,000.
- (3) Redeem debentures at 5% premium.

- (4) Sold some investment at a profit which was credited to capital reserve.
- (5) Decide to value stock at cost, where as previously the practice was to value stock at cost less 5%. The stock on 31-3-2012 was correctly valued at cost.
- (6) Proposed dividend of last year paid and income tax of Rs. 80,000 of last year was also paid.

OR

2 Balance Sheets of Utsav Ltd on 31-12-2010 and **14**
31-12-2011 are as under :

Liabilities	2011	2010	Assets	2011	2010
Equity shares	6,00,000	4,00,000	Land and		
Share Premium	32,000	21,000	Building	4,00,000	1,75,000
Gen. Reserve	35,000	75,000	Machinery	3,55,000	2,81,000
P & L A/C	1,00,500	52,500	Car	48,000	56,000
12% Debentures	2,10,000	1,10,000	Furniture	28,350	31,500
Creditors	84,000	63,000	Debtors	1,50,000	1,00,000
Provision for tax	35,000	55,000	Stock	80,000	1,00,000
			Cash	32,650	30,500
			Deb. discount	2,500	2,500
	10,96,500	7,76,500		10,96,500	7,76,500

Other Information :

- (1) Depreciation on land and building Rs. 17,500, on machinery Rs. 56,200, on Car Rs. 8,000, and on furniture Rs. 3,150.
- (2) Machinery Rs. 81,000 was sold at Rs. 70,000 during the year.
- (3) During the year Rs. 31,000 was paid for tax and Rs. 42,000 for dividend.
- (4) During the year company has given bonus shares in ratio of one bonus share to holder four equity shares from general reserve. New equity shares were issued at 11% premium.
- (5) Debentures were issued at 3% discount.

Prepare Cash Flow Statement as per Accounting Standard No 3.

- 3 Balance Sheet of ABC Com. Ltd as on 31-12-2011 is 14
as follows :

Liabilities	Amt	Assets	Amt
5% Preference share capital	50,000	Land and building	1,00,000
Equity share capital	1,00,000	Machinery	1,80,000
Security premium	25,000	Less depreciation	<u>-60,000</u>
General Reserve	50,000	Motor car	25,000
Tax Provision	12,500	Less depreciation	<u>-15,000</u>
Profit and loss a/c	35,000	Investment	25,000
5% Debentures	7,500	Stock : Raw material	20,000
Creditors	25,000	Semi finished	5,000
Outstanding Tax	15,000	Finish goods	10,000
Bank Overdraft	10,000	Debtors	39,000
		Cash	1,000
	3,30,000		3,30,000

Additional Information :

- (1) Value of Land and building is Rs. 1,30,000.
 - (2) Replacement value of Machinery Rs. 2,25,000 and Depreciation replacement value Rs. 75,000.
 - (3) Replacement value of motor car Rs. 30,000 and Depreciation replacement value Rs. 18,000
 - (4) Only Rs. 5,000 Investment are Business related.
 - (5) Profit before interest and tax Rs. 41,500.
 - (6) Following are amt shown in the Profit and Loss A/c.
 - (i) Loss on sale of Machine..... Rs. 1,000
 - (ii) Bad debts Recovered..... Rs. 500
 - (iii) Interest on bank overdraft Rs. 600
 - (iv) Depreciation on machinery debited is Rs. 18,000 while depreciation replacement value Rs. 22,500.
 - (v) Depreciation on motor car debited is Rs. 5,000 while depreciation replacement value Rs. 6,000.
 - (vi) Income of non business investment is Rs. 5,000.
 - (vii) Value of damage stock of raw material Rs. 1,000.
- Calculate ROI on Capital Employed and Net Capital Employed.

OR

3 Balance Sheets of Yuvraj Ltd are as under

14

Liabilities	31-3-12	31-3-11	Assets	31-3-12	31-3-11
Share capital	2,50,000	2,50,000	Fixed assets	4,00,000	3,00,000
Reserve	1,16,000	1,00,000	Less :		
Loan	1,00,000	1,20,000	Depreciation	1,40,000	1,00,000
Other current Liability				2,60,000	2,00,000
	1,29,000	25,000	Investment	40,000	30,000
			Stock	1,20,000	1,00,000
			Debtors	70,000	50,000
			Cash	20,000	20,000
			Other current Assets	25,000	25,000
			Misc Exp (not write off)	60,000	70,000
	5,95,000	4,95,000		5,95,000	4,95,000

Detail regarding 2011-12 are as under :

- (1) Sales Rs.6,00,000
- (2) Profit before interest and tax ... Rs.1,50,000
- (3) Interest Rs.24,000
- (4) Tax reserve Rs.60,000

Calculate ROI on capital employed and owners capital employed.

- 4 ABC Com. produces ready made garments by process of cutting and sewing. The sewing department and cutting department report to the production manager who along with engineering manager, report to the director manufacturing, the sales manager, publicity manager and the credit manager report to the director marketing who along with the director manufacturing report to the managing director of the company. 14

Following data are available in books of company :

Particulars	Budget Rs.	Actual Rs.
Cloth Used	31,000	36,000
Advertising	4,000	4,000
Audit fees	7,500	7,500
Credit report	1,200	1,050
Sales representative travelling exp.	9,000	10,200
Sales commission	7,000	7,000
Cutting labour	6,000	6,600
Thread	500	450
Sewing Labour	17,000	18,400
Credit department - Salaries	8,000	8,000
Cutting utilities	800	700
Sewing Utilities	900	950
Director-Marketing salaries & Admin.	20,000	21,400
Production engineering exp.	13,000	12,200
Sales management office exp.	16,000	15,700
Production manager Office exp.	18,000	17,000
Director Mfg. salaries & admin exp.	21,000	20,100
Bad debts losses	5,000	3,000

Using the above data, Prepare responsibility accounting reports for director marketing, the director manufacturing and production manager.

OR

- 4 Explain the different Centres of Responsibility Accounting 14
and also explain the advantages and disadvantages of
Responsibility Accounting.
- 5 Explain the meaning and definition of Asset Liability 14
Management along with its process.

OR

- 5 Discuss the importance and objectives of Asset Liability 14
Management.