

B.V. Patel Institute of Business Management, Computer & Information Technology
Uka Tarsadia University
1st Internal Examination, TYBCOM 5th Semester
030100511: Management Accounting

Marks: 50
Time: 2 hrs.

Date: 30/08/2017

Q-1 Answer the following. (Any Five)

[10]

1. Explain in brief the difference between management accounting and cost accounting.
2. List any six limitation of management accounting.
3. Explain the steps of ratio analysis.
4. What is capital gearing ratio?
5. What is importance of fund flow statement?
6. List any four current assets and current liabilities.

Q-2 Answer the following. (Any Two)

[20]

1. From the following Balance Sheets of Giridhar Ltd on 31st December 2015 and 2016, you are required to prepare fund flow statement and schedule of changes in working capital.

Balance Sheet

Liabilities	2015	2016	Assets	2015	2016
Share Capital	1,00,000	1,00,000	Goodwill	12,000	12,000
General Reserve	14,000	18,000	Building	40,000	36,000
P&L A/c	16,000	13,000	Plant	37,000	36,000
Creditors	8,000	5,400	Investment	10,000	11,000
Bills Payable	1,200	800	Stock	30,000	23,400
Provision for Taxation	16,000	18,000	Bills Receivable	2,000	3,200
Provision for doubtful debt	400	600	Debtors	18,000	19,000
			Bank	6,600	15,200
	1,55,600	1,55,800		1,55,600	1,55,800

Additional Information:

- Depreciation charged on plant was Rs.4,000 and on building Rs.4,000.
 - Provision for taxation of Rs.19,000 was made during the year 2016.
 - Interim dividend of Rs.8,000 was paid during the year 2016.
2. Prepare balance sheet from the following information.
 - Current ratio 2.5
 - Liquid ratio 1.5
 - Stock ratio (closing stock) 6
 - Gross profit ratio 20%
 - Cost of goods sold/ Fixed Assets 2:1
 - Debtors ratio 2 month
 - Fixed Assets/ proprietor's fund ratio 0.8
 - Reserve / capital 0.5
 - Capital gearing ratio (proprietor's fund) 0.2
 - Working capital Rs 3,00,000
 3. Find out the following ratio from the balance sheet of Vimal Ltd as on 31/3/2006.
Stock turnover ratio, proprietary ratio, current ratio, liquid ratio, return on capital employed ratio, rate of return on equity capital, net profit, creditor ratio.

Balance Sheet

Liabilities	Amount	Assets	Amount
Eq. sh. Capital	4,00,000	Land and building	5,00,000
10% pre. sh. Capital	2,50,000	Machinery	1,30,000
General reserve	2,00,000	Temporary investment	2,70,000
Profit and loss	1,70,000	Stock	1,75,000
8% debenture	2,50,000	Debtors	2,00,000
Creditors	1,00,000	Prepaid exp.	30,000
Bills payable	50,000	Advance income tax	80,000
Provident fund	30,000	Bill receivable	50,000
Bank overdraft	40,000	Cash balance	20,000
O/S expense	10,000	Bank balance	40,000
		Debenture discount	5000
Total	15,00,000	Total	15,00,000

Additional information:

1. Cash sales is 20% of total sales
2. Stock on 1/4/2005 is Rs 1,25,000
3. Debtors ratio is 90 days
4. Gross profit is 40% of sales
5. Net profit (before interest & tax) is Rs. 2,50,000
6. Rate of taxation is 50%
7. Working days are 360 days.

Q-3 Answer the following in detail. (Any Two)

[20]

1. From the following summarized balance sheet of A Ltd. as on 31/12/2009 & 10. Prepare fund flow statement and statement showing changes in working capital.

Liabilities	2009	2010	Assets	2009	2010
Sh. capital	9,00,000	9,00,000	Fixed assets	5,00,000	6,40,000
General reserve	6,00,000	6,20,000	Investment	1,00,000	1,20,000
Profit and loss	1,12,000	1,36,000	Stock	4,80,000	4,20,000
Creditors	3,36,000	2,68,000	Debtors	4,20,000	9,10,000
Provision for tax	1,50,000	20,000	Bank	2,98,000	3,94,000
Loan	----	5,40,000			
Total	20,98,000	24,84,000	Total	20,98,000	24,84,000

Additional information :

- Investment costing Rs. 16,000 were sold during the year 2010 for Rs. 17000
 - Provision for tax made during the year was Rs. 18000
 - During the year apart of fixed assets costing Rs. 20,000 were sold for Rs. 24,000
 - Dividend paid during the year amounted to Rs. 80,000
2. What is difference between financial accounting and management accounting? Explain.
 3. Explain in detail the various tools of management accounting.