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14. The following are the balance sheets of 'S' Ltd. as on 31.12.2015 and 31.12.2016.

Balance Sheets

| Liabilities | 2015 | 2016 | Assets | 2015 | 2016 |
|-------------------|----------|----------|------------|----------|----------|
| Share capital | 1,00,000 | 1,25,000 | Building | 1,00,000 | 95,000 |
| Reserves | 25,000 | 30,000 | Machinery | 75,000 | 85,500 |
| P & L Account | 15,250 | 15,300 | Stock | 50,000 | 37,000 |
| Bank loan | 35,000 | --- | Debtors | 40,000 | 31,100 |
| Creditors | 75,000 | 67,600 | Cash | 250 | 300 |
| Provision for tax | 15,000 | 17,500 | Bank | --- | 4,000 |
| | | | Investment | --- | 2,500 |
| | 2,65,250 | 2,55,400 | | 2,65,250 | 2,55,400 |

Additional Information :

- (i) Dividend of Rs. 11,000 was paid.
- (ii) Machinery was purchased for Rs. 15,000.
- (iii) Income tax paid during the year Rs. 16,500.

Prepare cash flow statement.

- 15 'A' Ltd., requires you to prepare Cash Budget in order to arrange overdraft for the month of April to June 2018.

| 2018 | Sales (Rs.) | Purchases(Rs.) | Wages(Rs.) |
|----------|-------------|----------------|------------|
| February | 1,80,000 | 1,24,800 | 12,000 |
| March | 1,92,000 | 1,44,000 | 14,000 |
| April | 1,08,000 | 2,43,000 | 11,000 |
| May | 1,74,000 | 2,46,000 | 10,000 |
| June | 1,26,000 | 2,68,000 | 15,000 |

50% of sales are realised in the same month and the balance will be realised in the following month. Creditors and wages are paid in the following month. The cash balance as on 01.04.2018 is Rs. 25,000.

April 2024
Time - Three hours
(Maximum Marks: 100)

PART - A
[Marks: 5 x 5 = 25]

[Note: Answer any FIVE Questions.]

1. State the uses of funds flow statement.
2. What are the objectives of budgetary control?
3. Distinguish between funds flow and cash flow statement.
4. From the following Profit and Loss Account of Ms. Gowri Ltd. for the year ended 31st December 2014 and 2015. You are required to prepare a comparative income statement for the years 2014 and 2015.

Profit and Loss Account (Rs. in Lakhs)

| Particulars | 2014 | 2015 | Particulars | 2014 | 2015 |
|----------------------------|------|-------|--------------|------|-------|
| To Cost of goods sold | 600 | 750 | By Net sales | 800 | 1,000 |
| To Administrative expenses | 20 | 20 | | | |
| To Selling expense | 30 | 40 | | | |
| To Net profit | 150 | 190 | | | |
| | 800 | 1,000 | | 800 | 1,000 |

5. Calculate gross profit ratio :

| Particulars | Rs. |
|------------------|----------|
| Sales | 2,20,000 |
| Purchases | 1,75,000 |
| Sales returns | 20,000 |
| Purchase returns | 15,000 |
| Opening stock | 30,000 |
| Closing stock | 40,000 |

6. Calculate funds from operation using the following particulars :

Net profit for the year ended Rs. 6,50,000
Profit on sale of building Rs. 40,000
Goodwill written off during the year Rs. 10,000
Old machinery worth Rs. 8,000 has been sold for Rs. 6,500
Depreciation has been provided on plant at 20% p.a.
The value of plant is Rs. 5,00,000.

7. From the following balances, you are required to calculate cash from operation :

| Particulars | December 31 2017 Rs. | December 31 2018 Rs. |
|------------------------------|----------------------------|----------------------------|
| Debtors | 50,000 | 47,000 |
| Bills receivable | 10,000 | 12,000 |
| Creditors | 20,000 | 25,000 |
| Bills payable | 8,000 | 6,000 |
| Outstanding expenses | 1,000 | 1,200 |
| Prepaid expenses | 800 | 700 |
| Accrued Income | 600 | 750 |
| Income received in advance | 300 | 250 |
| Profit made during the years | 1,30,000 | --- |

8. Prepare a production budget for three months ending March 31, 2009 for the factory producing four products on the basis of the following information :

| Type of Products | Estimated stock on 1 st January 2009 (units) | Estimated Sales on Jan. - March 2009 (Units) | Desired closing stock on 31 st March, 2009 (Units) |
|------------------|---|--|---|
| A | 2,000 | 10,000 | 5,000 |
| B | 3,000 | 15,000 | 4,000 |
| C | 4,000 | 13,000 | 3,000 |
| D | 5,000 | 12,000 | 2,000 |

PART - B

[Marks: 5 x 15 = 75]

[Note: Answer any FIVE Questions.]

9. Explain the techniques or tools of financial analysis.
 10. Discuss the classifications of ratios.
 11. Calculate the trend percentages from the following figures of Priya Enterprises taking 2005 as the base year and interpret them.

| Year | Sales (Rs. in lakhs) | Stock (Rs. in lakhs) | Profit before tax (Rs. in lakhs) |
|------|----------------------|----------------------|----------------------------------|
| 2005 | 1881 | 709 | 321 |
| 2006 | 2340 | 781 | 435 |
| 2007 | 2655 | 816 | 458 |
| 2008 | 3021 | 944 | 527 |
| 2009 | 3768 | 1154 | 672 |

12. From the following balance sheet, calculate

- (i) Current ratio
 (ii) Liquid ratio
 (iii) Debt equity ratio
 (iv) Proprietary ratio

| Liabilities | Rs. | Assets | Rs. |
|----------------|-----------|--------------|-----------|
| 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 |

13. From the following Balance Sheets of a company, you are required to prepare funds flow statement :

| Liabilities | Dec,31 2015 Rs. | Dec,31 2016 Rs. | Assets | Dec,31 2015 Rs. | Dec,31 2016 Rs. |
|-------------------|-----------------------|-----------------------|----------------------|-----------------------|-----------------------|
| Equity capital | 50,000 | 53,000 | Fixed Assets | 20,000 | 25,000 |
| Long term loan | 14,000 | 13,000 | Cash | 24,000 | 27,000 |
| Retained Earnings | 28,000 | 37,000 | Debtors | 31,000 | 32,000 |
| Depreciation Fund | 21,000 | 25,000 | Stock | 8,000 | 7,000 |
| Creditors | 20,000 | 21,000 | Other current assets | 50,000 | 58,000 |
| | 1,33,000 | 1,49,000 | | 1,33,000 | 1,49,000 |

Additional information :

- (i) Fixed assets costing Rs. 9,000 were purchased during 2016 for cash.
 (ii) Fixed assets (original cost Rs. 4,000 accumulated depreciation Rs. 1,500) were sold at book value.
 (iii) Dividends paid during the year Rs. 3,000.

[Turn over...]