

**SARDAR PATEL UNIVERSITY**  
**FYBBA[Foreign Trade] SEM – II**  
**Cost & Management Accounting**  
**UM02CBBB04/F02**

**Date : 02-04-2018, Monday**  
**TIME : 2.00 pm to 4.00 pm**

**TOTAL MARKS : 60**

Q.1 Why Ratio analysis is important? Mention the limitation of Financial Statement. 15

**OR**

Q.1 The following are the summarized Balance Sheet of Hanuman Ltd. for the year ending 31<sup>st</sup> March 2016. 15

Liabilities	Rs.	Assets	Rs.
6% Preference Share Capital	150000	Goodwill	20000
Equity Share Capital	250000	Land & Building	250000
General Reserve	20000	Machinery	175000
Profit & Loss	15000	Furniture	10000
5% Debentures	100000	Stock	90000
Sundry Creditors	28000	Sundry Debtors	21000
Bills Payable	12000	Cash at Bank	5000
		Preliminary Exp.	4000
	575000		575000

Other Information :

Total Sales Rs.400000, 20% of which is made on credit. Gross Profit and Net Profit (after tax) for the year ended amounted to Rs.80000 & Rs.20000 respectively.

You are required to Calculate: Current Ratio, Liquid Ratio, Gross Profit Ratio, Net Profit Ratio, Proprietary Ratio, Fixed Asset to Proprietorship Ratio, Debt Equity Ratio, Capital Gearing Ratio, Stock Turnover Ratio, Debtors Turnover Ratio, Return on Proprietors Fund Ratio, Turnover to Fixed Asset Ratio.

Q.2 Mention the usages and limitation of Fund flow and Cash Flow Statement 15

**OR**

Q.2 Prepare Adjusted P & L Account, Schedule of Changes in Working Capital and Fund flow statement of Hari Ltd on the basis of following Balance Sheet. 15

	31-12-2013	31-12-2014
<b>Liabilities :</b>		
Equity Share Capital	2,00,000	2,40,000
8% Debentures	50,000	-
Securities Premium	-	10,000
General Reserve	30,000	50,000
Profit & Loss Account	48,000	68,000
Sundry Creditors	1,30,000	1,50,000
Proposed Dividend	20,000	24,000
Provision for Depreciation :		
Plant & machinery	1,40,000	1,50,000
Furniture	6,000	4,000
	6,24,000	6,96,000

Assets :		
Land & Building	1,05,000	1,50,000
Plant and Machinery (at cost)	2,90,000	3,20,000
Furniture (at cost)	9,000	10,000
Inventories	1,30,000	1,05,000
Sundry Debtors	75,000	85,000
Cash	15,000	26,000
	6,24,000	6,96,000

Additional Information :

- (1) Furniture which cost Rs. 5,000, written down value Rs. 1,000 was sold during the year 2014 for Rs. 2,000.
- (2) Plant and Machinery which cost Rs. 20,000 and in respect of which Rs. 13,000 had been written off as depreciation was sold during the year for Rs. 3,000.
- (3) The dividend of 2013 was paid during 2014.

- Q.3 A) State the Methods of Costing.  
B) Why Costing is important

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**OR**

- Q.3 Prepare cost sheet on the bases of following details of XYZ Ltd.

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Opening Stock	20,000
Purchases	1,22,000
Closing Stock	10,000
Direct Wages	36,000
Direct Expenses	24,000
Factory Overheads	50% of Direct Wages
Selling and distribution expenses	Rs.3 per unit sold
Office and administration overheads	20% of works cost
Units of finished goods:	
In hand at the beginning of the period (Value Rs. 12500)	500
Units produced during the period	12,000
In hand at the end of the period	1,500

Prepare Cost Sheet and find out the selling price per unit if 20% profit on selling price. There is no work-in-progress either at the beginning or at the end of the period.

- Q.4 Fixed cost = Rs. 8,000  
Break-even point = Rs. 20,000  
Variable cost = Rs. 60 per unit

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From the above particulars, calculate :

- (a) P / V Ratio
- (b) Profit when sales are Rs. 40,000,
- (c) New break-even point if selling price is reduced by 10%

**OR**

- Q.4 A) Explain Break Even Point using Chart.  
B) Write a short note on Angle of incidence.

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