

N.B.

(3 Hours)

Total Marks: 100

1. Question No. 1 is compulsory
2. Attempt any two questions from question no. 2-4
3. Attempt any two questions from question no. 5-7
4. Answer to questions should be grouped and written together.
5. Figures to the right indicates full marks assigned to the question

- Q1 a What is Ratio Analysis? Explain the advantages and disadvantages of Ratio Analysis. (10)
- b Following is the trial balance and adjustments of M/s Mongia and Co. for the year ended 31<sup>st</sup> March, 2016. Prepare trading A/c and profit & loss A/c and Balance sheet as on 31<sup>st</sup> March, 2016 (10)

Trial Balance

Particulars	Debit Balance (Rs)	Particulars	Credit Balance (Rs)
Opening Stock	52,000	Bills Payable	4,000
Drawings	10,000	Return Outward	2,000
Purchases	1,00,000	Capital	2,50,000
Return Inward	6,000	Sales	2,00,000
Debtors	50,000	Discount Received	3,000
Carriage Inward	4,700	Commission Received	4,000
Import Duty	2,500	Creditors	40,000
Wages	33,400		
Salaries	41,400		
Printing and Stationary	5,000		
Legal Expenses	20,000		
Cash at Bank	16,300		
Plant & machinery	1,50,000		
Cash in Hand	11,700		
<b>Total</b>	<b>5,03,000</b>	<b>Total</b>	<b>5,03,000</b>

## Adjustments :

1. Closing Stock was valued at Rs. 40,000.
2. Depreciate Plant & Machinery at 5%
3. Outstanding Salary Rs. 4,000/-

- Q2 a What is meant by ledger? Why is it necessary to prepare a ledger? (10)

[TURNOVER]

- b Journalize the following transactions in the books of M/s Dnyanada & Co. (10)
- 1 Apr Started business with cash Rs.60,000/-, Furniture costing Rs. 25,000/-
  - 4 Bought from Sujay goods worth 60,000 off 20% T. D.
  - 8 Sold half of the goods bought from Sujay to Vijay at 10 % profit.
  - 10 Withdrew from Bank Rs. 6,000 for self use.
  - 15 Uninsured Goods worth Rs. 10,000 were lost by theft.
  - 19 Received the amount due from Vijay in cash after deducting 5% cash discount.
  - 21 Paid advertisement charges Rs. 7,000.
  - 23 Received Commission Rs. 500 in cash.
  - 25 Deposited Rs. 6000/- in Bank.
  - 30 Paid salary Rs. 20,000.

Q3 a What do you mean by Accounting Concepts.? Explain the different Accounting Concepts. (10)

b What is an Account? What are the different types of Accounts? Explain the golden rules of accounting. (10)

Q4 a What is cash book? Why we use triple column cash book? Why cash book is called journal as well as ledger? (10)

b Prepare a Three column cash book from the following transactions of Mr. Saxena (10)

- 1 Cash in hand Rs. 55,000 and cash at Bank Rs. 25,000.
- 2 Deposited into Bank Rs. 1,800.
- 4 Bought furniture and issued cheque of Rs. 2,500.
- 7 Purchased goods for cash Rs. 3,000.
- 12 Bank has sent an advice informing the deduction of Rs. 100 as bank charges.
- 14 Sold goods of Rs. 4,000 for cash at 5% C. D.
- 20 Withdrew from Bank for Private expenses Rs. 1,000.
- 23 Received Crossed Cheque from Vilas Rs. 3,000.
- 27 Shubham deposited Rs. 5,000 directly on our account.
- 30 Paid rent by cheque Rs. 1,000.

Q5 a What are the various factors affecting working capital management? (10)

[TURNOVER]

- b From the following information calculate the following ratios. (10)
1. Current Ratio                      2. Gross Profit Ratio                      3. Net Profit Ratio  
4. Stock Turnover Ratio              5. Debtors Turnover Ratio.

Particulars	Rs.	Particulars	Rs.
Opening Stock	1,50,000	Share Capital	7,00,000
Closing Stock	1,50,000	Reserves	50,000
Purchases	6,10,000	Bank Overdraft	35,000
Sales	7,50,000	Creditors	1,50,000
Gross Profit	1,50,000	Land & Building	5,50,000
Net Profit	70,000	Debtors	1,80,000
Sundry Expenses	80,000	Cash in Hand	1,20,000

- Q6 a Explain the format and importance of cash budget. (10)
- b What is cost Accounting? Classify cost on the basis of elements of cost. (10)
- Q7 a What do you mean by Cash Flow and Fund Flow Statement? Differentiate between Cash Flow and Fund Flow Statement. (10)
- b Prepare the cash budget for April, May and June for the company named Ganga Industries Ltd. Company has Rs. 35, 000 as in hand cash on April 1<sup>st</sup>. Further information is given below. (10)

Months (Rs.)	Sales (Rs.)	Purchase (Rs.)	Wages (Rs.)	Production Overhead (Rs.)	Selling Overhead (Rs.)
February	80,000	50,000	9,000	6,000	3,500
March	80,000	70,000	6,000	6,000	3,500
April	1,20,000	75,000	6,000	8,000	4,500
May	1,50,000	85,000	8,500	9,500	5,500
June	1,20,000	90,000	10,500	8,000	6,500

Information :

1. Credit Period allowed by suppliers – 1 month
2. Credit period allowed to customers – 2 month. 50% sale is on cash basis.
3. Delay in payment of wages is 1 month.
4. Overheads have 2 month delay in payment.