



RAA-010-001602

Seat No. _____

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

March - 2019

Management Accounting - II

(Old Course)

Faculty Code : 010

Subject Code : 001602

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

[Total Marks : 70

- Instructions :** (1) All the questions are compulsory.
(2) All the questions carry equal marks.
(3) Figures at the right side indicate marks of each questions.
(4) All necessary calculations are to be shown as a part of your answer.

1 Devarsh Ltd. provides following balance sheet as on **14**
31-3-2017 and 31-3-2018.

Liabilities	31-3-17	31-3-18	Assets	31-3-17	31-3-18
Equity share each of Rs. 10	3,00,000	4,00,000	Goodwill	1,00,000	80,000
Pref. share capital	2,00,000	5,00,000	Land-Building	2,50,000	6,60,000
General Reserve	2,00,000	3,00,000	Patent	60,000	40,000
Profit and Loss A/c.	1,60,000	2,10,000	Plant-Machinery	2,50,000	5,20,000
Debenture Provision for Tax	—	2,00,000	Furniture	25,000	30,000
Creditors	1,30,000	1,45,000	Investments	1,35,000	1,65,000
Secured Loan	70,000	80,000	Stock	1,50,000	3,20,000
Bank O.D.	1,40,000	60,000	Debtors	2,70,000	90,000
Proposed dividend	79,000	1,10,000	Bank Balance	60,000	59,000
	41,000	45,000	License deposit	—	60,000
			Pre-paid expense	10,000	12,000
			Debenture discount	—	6,000
			Preliminary exp.	10,000	8,000
Total	13,20,000	20,50,000	Total	13,20,000	20,50,000

Additional Information :

- (1) During the year 2017-18, the company issued one bonus share for every three equity share held from general reserve.
- (2) The debentures were issued at 5% discount.
- (3) Depreciation written off during the year

Land and Building	Rs. 45,000
Plant and Machinery	Rs. 70,000
Patent	Rs. 20,000
- (4) During the year, investments worth Rs. 7,200 were sold for Rs. 8,500 and new investments were purchased for Rs. 9,500.
- (5) During the year, taxes of Rs. 75,000 were paid and machinery of Rs. 66,000 were sold for Rs. 54,000.

From the above information prepare : (1) Statement of change in working capital (2) The statement of sources and application along with adjusted P&L A/c.

OR

- 1 The following are the balance sheet of Popular Pluto, 14
for the year 2017 and 2018.

Liabilities	2017	2018	Assets	2017	2018
Share Capital	50,000	60,000	Plant and Machinery	30,000	25,000
General Reserve	8,000	12,000	Land – Building	20,000	40,000
P&L A/c.	6,000	10,000	Stock	26,000	20,000
Bank Loan			Debtors	10,000	15,000
(Long term)	10,000	2,000	Cash	5,000	6,000
Creditors	12,000	16,000	Advance tax	3,000	5,000
Provision for tax	4,000	6,000			
Outstanding expense	4,000	5,000			
Total	94,000	1,11,000	Total	94,000	1,11,000

Additional Information :

- (1) Income tax of Rs. 2,000 was settled for Rs. 4,400.
 - (2) Assets of other company purchased for a consideration of Rs. 10,000 payable in equity shares. The assets were :
Land-building Rs. 4,000 and stock Rs. 6,000.
 - (3) A machine costing Rs. 5,000 (Depreciation written off Rs. 3,000) was sold for Rs. 1,000, the loss was written off against general reserve.
 - (4) Closing stock of year 2018 was overvalued by Rs. 5,000.
 - (5) Expenses paid during the year 2018 were Rs. 4,500,
- Prepare fund flow statement.

2 The balance sheet of Tushar Ltd. for the year 2017-18 **14**
are as under :

Liabilities	2017	2018	Assets	2017	2018
Equity shares of			Machinery	4,30,000	5,40,000
Rs. 10 each	2,25,000	3,75,000	Investments	75,000	82,500
General			Stock	35,000	30,000
Reserve	1,75,000	1,50,000	Debtors	80,000	90,000
P&L Account	90,000	68,000	Cash and Bank	6,750	11,100
10% Debenture	50,000	25,000	Prepaid Exp.	750	1,400
Creditors	39,000	63,000			
Unpaid Exp.	1,000	1,500			
Tax provision	25,000	35,000			
Proposed dividend	22,500	37,500			
Total	6,27,500	7,55,000	Total	6,27,500	7,55,000

Additional Information :

- (1) Investment of Rs. 30,000 were sold for Rs. 25,000 depreciate machinery by Rs. 1,10,000.
- (2) Company capitalized required amount from general reserve for issue of bonus share in proportion of 3:1.
- (3) Right shares were issued at par in ratio of 4:1 on increased capital.
- (4) Taxes paid were Rs. 45,000. Proposed dividend for year 2017 was also paid.

From the above information, prepare cash flow statement.

OR

- 2** From the following balance sheet of Bhupat Ltd. for the 14 year 2017 and 2018, prepare cash flow statement :

Liabilities	2017	2018	Assets	2017	2018
Equity share			Goodwill	1,15,000	90,000
capital	3,00,000	4,00,000	Land-building	2,00,000	1,70,000
8% pref.			Plant-Machinery	80,000	2,00,000
capital	1,50,000	1,00,000	Debtors	1,80,000	2,30,000
General			Stock	77,000	1,09,000
Reserve	40,000	70,000	Cash and bank	25,000	18,000
P&L A/c.	30,000	48,000			
Proposed					
dividend	42,000	50,000			
Creditors	75,000	99,000			
Provision					
for tax	40,000	50,000			
Total	6,77,000	8,17,000	Total	6,77,000	8,17,000

Additional Information :

- (1) During the year 2017-18, depreciation was charged Rs. 10,000 on plant and machinery and Rs. 30,000 on land and building.
- (2) Interim dividend of Rs. 20,000 as paid for the year 2017-18.
- (3) Tax paid during the year 2017-18 was Rs. 35,000.

3 The following is the balance sheet of Jaydeep & Co. as on 14 31-3-2018.

Liabilities	Amount Rs.	Assets	Amount Rs.
Equity share capital	6,00,000	Land-Building	4,50,000
10% pref. Capital	3,00,000	Machinery	3,00,000
Reserve Fund	2,43,000		
15% Debentures	3,00,000	Investment	1,50,000
Creditors	24,000	Stock	2,00,000
Provident Fund	36,000	Debtors	4,00,000
Tax Provision	30,000	Bills receivable	30,000
Bank O.D.	60,000	Cash and Bank	60,000
		Preliminary Exp.	3,000
Total	15,93,000	Total	15,93,000

Additional Information :

- (1) Book value of land-building is 50% of its market value.
Market value is to be considered now.
- (2) Value of 50% stock is reduced by 25%.
- (3) Investments include non-trading investments of Rs. 50,000.
- (4) Profit before interest and tax is Rs. 3,60,000.
- (5) Following items are included in profit and loss A/c. of the year :

Income on Non-trading investments Rs. 5,000
 Loss on sales of machine Rs. 7,000
 Bad debt recovered Rs. 3,000
 Interest on Bank O.D. Rs. 4,000

Calculate ROI (Return on investment) on total capital employed, net capital employed and owner's fund.

OR

3 Following is the balance sheet of Hotel Mahesh Ltd. for 14 the year 2017 and 2018 :

Liabilities	2017	2018	Assets	2017	2018
Equity share capital	1,50,000	1,50,000	Permanent Assets	4,10,000	3,90,000
Pref. share capital	50,000	50,000	Stock	60,000	1,20,000
Reserve fund	20,000	40,000	Debtors	80,000	1,60,000
P&L A/c.	28,000	4,000	Cash and bank	60,000	4,000
Debentures	2,20,000	1,60,000	Preliminary expenses	6,000	6,000
Bank O.D.	—	40,000			
Creditors	60,000	1,80,000			
Provision for tax	68,000	26,000			
Proposed Dividend	20,000	30,000			
Total	6,16,000	6,80,000	Total	6,16,000	6,80,000

Profit and Loss Account

Particulars	2017	2018	Particulars	2017	2018
To Debenture interest	4,800	9,600	By balance c/f	—	28,000
To Director fees	20,000	60,000	By profit of the year after depreciation	1,60,800	1,21,600
To Tax provision	68,000	26,000			
To proposed dividend	20,000	30,000			
To General reserve	20,000	20,000			
To balance b/d	28,000	4,000			
Total	1,60,800	1,49,600	Total	1,60,800	1,49,000

Sales of year 2017 and 2018 is Rs. 12,00,000 and Rs. 10,00,000 respectively.

Calculate ROI on average capital employed and state the reason for change (if any)

- 4 What is ALM ? Discuss the process of ALM in detail. 14

OR

- 4 Discuss in detail the importance and objectives of ALM. 14

- 5 Explain the concept of responsibility accounting. Also describe various centers for responsibility accounting. 14

OR

- 5 State the advantages and disadvantages of responsibility accounting in detail. 14
