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**SARDAR PATEL UNIVERSITY**  
**FY BBA Examination, II Semester**  
**Thursday, Date 09-04-2015**  
**Time: 2:30 to 4:30**

**Subject Code: UM02CBBB04/UM02CBBF02**  
**Subject Title: Cost & Management Accounting**

**Total Marks- 60**

Q-1 (a) What is Ratio Analysis? Give its Advantages. (08)

(b) Explain the Limitation of Financial Statements. (07)

**OR**

Q-1 (a) Following are the ratios of the trading activities of SWN Traders Ltd.

Debtors' Velocity 3 months

Stock Velocity 8 months

Creditors' Velocity 2 months

Gross Profit Ratio 25%

Gross Profit for the year ended 31<sup>st</sup> December, 2013 amounts to Rs. 4,00,000.  
Closing Stock of the year is Rs.10,000 above the opening stock. Bills receivables amount to Rs.25,000 and Bills Payable to Rs.10,000

Find out (a) Sales (b) Sundry Debtors (c) Closing stock (d) Sundry Creditors. (10)

(b) From the Following compute the Current Ratio and Super Quick Ratio. (05)

	Amount		Amount
Sundry Debtors	40,000	Sundry Creditors	20,000
Prepaid Expenses	20,000	Debentures	1,00,000
Short term Investments	10,000	Stock	20,000
Loose tools	5,000	Outstanding expenses	20,000
Bills Payable	10,000	Bank Overdraft	10,000

Q-2 Following are the balance sheets of XYZ limited company as on 31<sup>st</sup> March, 2011 and 2012.

<b>Liabilities</b>	<b>2011</b>	<b>2012</b>	<b>Assets</b>	<b>2011</b>	<b>2012</b>
Share Capital	54,000	74,000	Goodwill	3,000	2,520
Reserves	13,000	15,500	Buildings	50,950	48,000
Profit and Loss Account	8,600	8,800	Plant	35,000	43,000
Bank Loan(long term)	25,000	-	Stock	25,500	18,800
Creditors	28,000	24,000	Debtors	22,000	16,200
Bills Payable	8,000	8,500	Cash	150	180
			Bank	-	2,100
	<b>1,36,600</b>	<b>1,30,800</b>		<b>1,36,600</b>	<b>1,30,800</b>

Taking into account the following additional information, you are required to prepare funds flow statement and statement of changes in working capital. (15)

- Dividend paid was Rs.6,000
- Rs.3600 was written off as depreciation on plant and Rs. 2,950 on buildings.
- Profit on sale of plant was Rs. 3,000

**OR**

Q-2 From the following Balance Sheets of PQR Co.ltd., make out cash flow statement. (15)

<b>Liabilities</b>	<b>2012</b>	<b>2013</b>	<b>Assets</b>	<b>2012</b>	<b>2013</b>
Equity Share Capital	3,00,000	4,00,000	Goodwill	1,15,000	90,000
8% Redeemable Pref. Share Capital	1,50,000	1,00,000	Land & Building	2,00,000	1,70,000
General Reserve	40,000	70,000	Machineries	80,000	2,00,000
Profit & Loss Account	30,000	48,000	Debtors	1,60,000	2,00,000
Proposed Dividend	42,000	50,000	Stock	77,000	1,09,000
Creditors	55,000	83,000	Bills Receivable	20,000	30,000
Bills Payable	20,000	16,000	Cash on Hand	15,000	10,000
Provision for Taxation	40,000	50,000	Bank Balance	10,000	8,000
	<b>6,77,000</b>	<b>8,17,000</b>		<b>6,77,000</b>	<b>8,17,000</b>

**Additional Information:**

- 1) During the year 2012-13 depreciation charged was Rs.10,000 on machineries and Rs.30,000 on land & Building.
- 2) Interim dividend paid during 2012-13 amounted to Rs.20,000
- 3) Taxation paid during the year 2012-13 was Rs. 35,000

Q-3 (a) Differentiate between Financial Accounting, Cost Accounting & Management Accounting (08)

(b) Give the Classification of Cost. (07)

**OR**

Q-3 The following information were received from the books of ABC Ltd for the quarter ending on 31<sup>st</sup> March, 2012.

Stock of material on 31.3.2012	1,40,000	Expenses of stationery	22,700
Stock of material on 1.1.2012	2,00,000	Traveler's salaries and commission	18,000
Purchase of Material	16,06,580	Depreciation on office furniture	1400
Travelling expenses	10,2001	Director's fees	16,000
Carriage inward	9,000	Fuel. Gas and water	35,800
Carriage outward	18,300	Manager's salary	36,000
Depreciation on plant	16,000	Income Tax paid	24,000
Factory rent, rates, insurance	22,400	Donations	9,200
Office rent, rates, insurance	58,200	Office expenses	18,000
Showroom expenses	18,000	Labour welfare expenses	14,400
Productive wages paid	4,54,000	Outstanding productive wages	66,000
Repairs of machine, plant, tools	20,000	Sales	27,40,000

Prepare Cost Sheet, assuming manager devotes 2/3 of his time to factory.

(15)