



2. Rs.2,50,000 have been transferred to the general reserve fund.
3. Depreciation has been provided during the year on machinery and furniture at 20% whose total cost is Rs. 13,00,000.
4. Old machinery worth Rs. 16,000 has been sold for Rs.13,000 during the year.
5. Goodwill appears in the books at Rs.3,60,000 out of that 10% has been written off during the year.
6. Gain on sale of building Rs. 71,000. (OR)

13.b) From the following information calculate cash from operations:-

Net profit for the year Rs.2,00,000, Total sales Rs.4,00,000, Debtors outstanding in the beginning of the year Rs.1,32,000, Debtors outstanding at the end of the year Rs.99,000.

14.(a) Using the information below, prepare a cash budget showing expected cash receipts and disbursements for the month of June and balance expected on June 30, 2023;

Budgeted cash balance June 1 2023, Rs.1,20,000. Sales for June Rs.16,00,000, half collected in the month of sale 40% in next month, 10% in third month.

Customer receivables as of June 1 Rs.1,40,000 from April sales Rs.9,00,000 from May sales.

Marchandise purchase for June Rs. 10,00,000, 40% payment in the month of purchase, 60% paid in next month. Wages due in June Rs. 1,76,000, Three years insurance policy due in June for renewal Rs.4,000 to be paid in cash.

Other expenses for June, payable in June Rs.88,000, Depreciation for the month of June Rs.4,000, Accrued taxes for June, payable in December Rs.12,000, Fixed deposit receipts due June 15-Rs.3,50,000 plus Rs.20,000 interest. (OR)

14.(b) A company manufacturer two products A and B, A forecast for the number of units to be sold in the first four months of the year is given below:

Months	Production A
January	3,000
February	3,400
March	4,200
April	5,000

It is anticipated that (i) there will no work in progress at the end of any month and (ii) finished units equal to half the sales for the next month will be in stock at the end of each month (including previous December ).

Prepare for the three endings March 31, a Production budget for each month.

15.a) From the following information find out the amount of profit earned during the year using marginal costing technique:

Fixed cost Rs500000, Variable cost Rs.10 per unit Selling Price Rs.15 per unit and Out level 1,50,00 units. (OR)

15.b) Calculate the Break even Point and the P/V ratio

Fixed overhead Rs.1,20,000, Variable overhead Rs.2,00,000, Direct wages Rs.1,50,000, Direct materials Rs.4,10,000, Sales Rs.10,00,000.

### SECTION- C (5X5= 25 MARKS)

**ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.(K4 /K5)**

16(a). Discuss about relationship between the Management Accounting and Cost Accounting.

(OR)

16(b) Summarize the Nature and Scope of the Management Accounting.

17 a) From the following is the balance sheet of Premchand Co. & Ltd as on 31<sup>st</sup> Dec. 2023

**Balance sheet as on 31.12.2023**

Liabilities	Rs.	Assets	Rs.
Equity share capital	2,00,000	Cash in hand	6,000
10% Preference share capital	2,00,000	Cash at Bank	18,000
8% Debentures	80,000	Bills receivable	60,000
9% Public debts	40,000	Investment short term	40,000
Bank overdraft	80,000	Debtors	1,40,000
Creditors	1,20,000	Stock	80,000
Outstanding expenses	14,000	Furniture	60,000
Proposed dividend	20,000	Machinery	2,00,000
Reserves	3,00,000	Land and Buildings	4,40,000
Provision for taxation	40,000	Goodwill	70,000
Profit and loss a/c	40,000	Preliminary expenses	20,000
	11,34,000		11,34,000

Calculate (i) Current Ratio (ii) Liquid Ratio (iii) Absolute liquidity ratio

(OR)

17.b) M/s Raj and Sons presents you the following balance sheet as on 31.12.1986.

**Balance sheet as on 31.12.1986**

Liabilities	Rs.	Assets	Rs.
Share capital		Fixed assets	10,00,000
Equity shares of Rs.10 each	10,00,000	Stock	4,00,000
Reserve fund	1,00,000	Debtors	3,00,000
7% Debentures	3,00,000	Cash	2,00,000
Overdraft	2,00,000		
Creditors	3,00,000		
	19,00,000		19,00,000

Calculate (i) Liquidity Ratio (ii) Solvency ratio (iii) Debt-equity ratio

18.a) A company's reported current profit of Rs.90,000 after incorporating the following

Profit on sale of Non-current assets	50,000	Depletion of natural resources	11,500
Profit on revaluation of investments	3,000	Amortization of goodwill	25,000
Dividend income on investments	5,000	Interim dividend	12,500
Loss on sale of equipment	11,000	Excess provision of taxation	21,000
Premium on redemption of debentures	2,000	Transfer to general reserve	6,000
Discount on issue of debentures	2,500	Preliminary expenses written off	1,500
Depreciation on Machinery	25,000		

You are required to calculate the net inflow of funds from operations.

(OR)

18.b) From the figures given below calculate cash from operations:

Particulars	December 31	
	2023	2024
Trade debtors	1,50,000	1,30,000
Bills receivable	50,000	40,000

Stock in trade	1,20,000	1,45,000
Prepaid expenses	30,000	25,000
Accrued income	20,000	27,500
Sundry creditors	80,000	1,10,000
Outstanding expenses	4,000	5,000
Bills payable	30,000	25,000
Income received in advance	3,000	4,000
Profit made during the year	-	7,50,000

19.a) A company manufactures two products A and B, A forecast for the number of units to be sold in the four months of the year is given

	Product A (units)	Product B (units)
January	3,000	6,000
February	3,400	6,000
March	4,200	5,200
April	5,000	4,400

It is anticipated that (i) there will no work in progress at the end of any month and (ii) finished units equal to half the sales for the next month will be in stock at the end of each month (including previous December) Prepare for the three months endings March 31, a Production Budget for each month. (OR)

19.b) Prepare a cash budget for the months – March, April and May 2024 from the following information.

Month	Credit sales	Credit Purchases	Wages	Miscellaneous	Office Expenses
January	60,000	36,000	9,000	4,000	2,000
February	82,000	38,000	8,000	3,000	1,500
March	84,000	33,000	10,000	4,500	2,500
April	78,000	35,000	8,500	3,500	2,000
May	56,000	39,000	9,500	4,000	1,000

**Additional Information :**

1) Opening cash balance Rs.8,000, 2) Period of credit allowed customers one month, 3) Period of credit allowed by suppliers two months. 4) Wages and miscellaneous expenses are payable in the same month. 5) Lag in payment of office expenses is one month.

20.a) You are given the following data for the year 2024 of X company.

	Rs.	%
Variable costs	6,00,000	(60%)
Fixed cost	3,00,000	(30%)
Net Profit	1,00,000	(10%)
		100 %

Find out the 1. P/V Ratio 2) B.E.P and 3) Margin of safety Ratio.

(OR)

20.b) You are given the following data for the year 2024 of the company.

1. Variable cost = Rs.6,00,000, 2. Fixed cost = Rs.3,00,000, 3. Profit = Rs.1,00,000  
4. Sales = 10,00,000

Find out the (i) Profit /Volume Ratio (ii) Break even Point (iii) Profit when sales amounted to Rs.12,00,000. (iv) Sales required to earn a profit of Rs.2,00,000.