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Candidate's Seat No : \_\_\_\_\_

MBA in BI Sem.-1 Examination

BI-102

FAM

January-2024

Time : 2-30 Hours]

[Max. Marks : 70

- Instructions :** (1) This paper contains **FIVE** questions.  
(2) All questions are compulsory.  
(3) Question No. **2, 3, 4** have internal options.  
(4) Figures in the right side in parenthesis indicate marks.

**Q:1** (A) Explain some tools and techniques used by managers for smooth functioning of the business. (14)

(B) Enumerate the salient features of financial statements

**Q:2** Complete the following balance sheet by using the following information: (14)

- 1) Total debt to net worth 0.5:1
- 2) Turnover of total assets 2
- 3) Gross profit 30 %
- 4) Average collection period (360 Days) 40 days
- 5) Inventory turnover (based on closing stock ) 3 times
- 6) Acid test ratio 0.75:1

**Balance Sheet**

Share Capital	2,00,000	Plant	
Retained earnings	3,00,000	Debtors	
Bills payable		Inventory	
		Cash balance	

**OR**

- Q:2** Stock Turnover is 4 times, Sales, Rs. 2,50,000/-, Gross Profit is 25% on cost, Closing Stock is 20,000 more than Opening Stock . Find out Closing Stock Debtors Turnover Ratio (Based on 360 Days in a year) is 28 days and Debtors are Rs. 2,80,000/- then find the amount of Credit Sales. (14)

Explain the utility of Ratio Analysis

Find out Gross Profit Ratio and Return on Investment from the Following;

Net Profit (Before Interest & Tax)	12,00,000
Tax Rate	50%
Sales	13,75,000
10% Debentures	20,00,000
Equity Share Capital	20,00,000
12% Preference Share Capital	10,00,000

- Q:3** The Following is a summary of Receipts and Issues of Material "A" in a factory during April 2023: (14)

Date	Particulars	Quantity	Total Amount
01-04-2023	Opening Balance	2,500	50,000
06-04-2023	Purchases	17,500	3,15,000
10-04-2023	Purchases	10,000	2,20,000
14-04-2023	Issued Material	12,000	-----
17-04-2023	Purchases	2,000	50,000
20-04-2023	Issued Material	10,000	-----
23-04-2023	Purchases	10,000	1,52,000
30-04-2023	Issued Material	15,000	

The material issued on 14-04-2023 and 20-04-2023 were priced on "FIFO" and "LIFO" basis respectively. It was decided to price the issues by "Weighted Average Method" from 23-04-2023.

Prepare Stock Register for Materials.

**OR**

- Q:3** From the following information of Rudra Ltd, Prepare Cash Flow Statement as per the AS -3. (14)

Particulars	31-03-2022	31-03-2023
Equity Share Capital	1,00,000	4,00,000
Capital Reserve	1,00,000	-----
Bank Overdraft	4,00,000	5,00,000
Provision for Taxation	2,00,000	5,00,000
<b>TOTAL</b>	<b>8,00,000</b>	<b>14,00,000</b>
Fixed Assets	3,00,000	8,00,000

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Non – Current Investments	3,00,000	2,00,000
Current Assets	2,00,000	4,00,000
<b>TOTAL</b>	<b>8,00,000</b>	<b>14,00,000</b>

1. The company sold all the Fixed Assets for Rs. 5,00,000/- and the profit was credited to Capital Reserve.
2. From the Capital Reserve, the company issued Fully paid Bonus Shares.
3. The investments were sold for Rs. 1,20,000/-.
4. The company had provided for Income Tax of Rs. 5,00,000/- during the year.
5. The company had paid Rs. 2,00,000/- for Interim Dividend.

**Q:4** XYZ Ltd. has made the following transactions in 8 % Gujarat Govt. Securities (14)  
during the year 2022.

Date	Face Value (Rs.)	Brokerage	Rate	Remarks
01-02-2022	15,000	½ %	98%	Purchase cum interest
16-05-2022	12,000	½%	99%	Purchase ex interest
01-07-2022	8,000	1%	102 %	Sale cum interest
16-08-2022	20,000	1 %	100 %	Sale ex- interest
01-12-2022	9,000	½ %	95%	Purchase cum interest
01-12-2022	6,000	1%	104 %	Sale cum – interest

On 31-12-2022 the market price of securities was 96 %. The interest is paid on 30 -6- & 31-12 every year. Closing stock is to be valued as per “FIFO “method. Prepare Investment Account for the Year.

**OR**

**Q:4** On 01-04-2022, Mr. Investor had 25,000 equity shares of Telco Ltd. at a book value of Rs. 15 per share (Face Value Rs. 10). On 20-06-2022, he purchased another 5,000 shares of the company at Rs.16 per share. The directors of Telco Ltd. announced a bonus and right issue. No dividend was payable on these shares. (14)

- 1) Bonus Basis - 1:6 (Date 16-08-2022)
- 2) Right Basis - 3:7 (Date 31-08-2022) price Rs. 15 per share
- 3) Due date for payment was 30-09-2022
- 4) Share holders were entitled to transfer their rights in full or in part. Accordingly he sold 33.33 % of his entitlement to his friend for consideration of Rs. 4 per share.

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- 5) Dividends for the year ended 31-3-2021 at the rate of 20% by the company were declared.

And received on 31-10-2022. Dividends for shares acquired by him on 20-6-22 are to be adjusted against the cost of purchase.

On 15-11-2022, he sold 25,000 equity shares at a premium of Rs. 5 per share

You are required to prepare Investment A/ C & profit & loss A/C .Books are closed on 31-12-22.

Shares are valued at average cost.

**Q:5**

**Select the correct alternative (Any Seven)**

**(14)**

1. In which method stock is valued at a price which is almost nearer to current market price?
  - A. FIFO
  - B. LIFO
  - C. Weighted average
  - D. Fixed price method
2. Which of the following items is not a cash inflow?
  - A. Borrowing or incurring any liability.
  - B. Sale of fixed assets or investment.
  - C. Repayment of loans or debentures.
  - D. Earning profit.
3. A company has issued debentures of Rs. 4,80,000. It's Preference Share capital is Rs. 3,20,000/- and Equity Share Capital is Rs. 32,00,000/-, then the Capital Gearing Ratio will be;
  - A. 15 %
  - B. 25 %
  - C. 10%
  - D. None
4. An investor purchased on 01-07-2022, 10 % debentures of Rs. 1,50,000/- for Rs. 1,60,000/-. He paid Brokerage at 1%. Interest dates are 30-06 & 31-12. Then the capital value of debentures is
  - A. Rs. 1,50,000
  - B. Rs. 1,61,600
  - C. Rs. 1,51,500
  - D. Rs. 1,67, 500
5. Which of the following tools & techniques are not used by management accountancy?
  - A. Standard Costing
  - B. Operating Costing
  - C. Budgetary Control
  - D. Marginal Costing

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6. If Operating Ratio is 90 %. Sales is Rs. 18,00,000/-. Gross Profit Ratio is  $\frac{1}{3}$ , then operating expenses are;  
A. Rs. 6,00,000  
B. 4,20,000  
C. Rs. 12,00,000  
D. None
7. If the Gross Profit is 50 % on Total Cost, then what is the Gross Profit Ratio?  
A. 25%  
B. 15%  
C. 10%  
D. 33.33%
8. Which of the following method is used for analysis of Financial Statements?  
A. Trend percentage  
B. Comparative statement  
C. Ratio analysis  
D. All of the above
9. If the balance of machinery account on 01-04-22 was Rs. 8,00,000/- & 31-03-23 Rs. 9,00,000/-. Depreciation provided is Rs. 1,00,000/-. What is the amount of purchase of machinery during the year?  
A. 1,40,000  
B. 2,00,000  
C. 1,00,000  
D. No purchase.

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