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0601N1477

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

MBA in DM Sem.-1 (Repeaters) Examination

DM-102

MA

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** Prepare a Cash Flow Statement after taking into account the balance sheets and additional information given below. All the necessary ledger accounts are to be shown as part of your answer: (14)

Balance Sheets

Particulars	Note	31-3-2022 Rs.	31-3-23 Rs.
<b>(1) Equity and Liabilities</b>			
(1) Shareholders' Fund:			
(a) Share Capital:			
Equity Share Capital			
(b) Reserves and surplus:		2,50,000	2,00,000
Securities Premium		15,000	10,000
General Reserve		40,000	35,000
Profit and Loss A/c		90,000	25,000
(2) Non-Current Liabilities:			
(a) Long Term Borrowings:			
6% Debentures		1,00,000	1,00,000
(3) Current Liabilities:			
(a) Trade Payables: Creditors		40,000	30,000
(b) Short Term Provisions:			
Provision for Taxation		15,000	18,000
<b>Total</b>		<b>5,50,000</b>	<b>4,18,000</b>

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<b>(2) Assets:</b>			
(1) Non-Current Assets:			
(a) Fixed Assets:			
(1) Tangible Assets:		1,40,000	90,000
Land and Building		1,50,000	1,30,000
Machinery		13,500	15,000
Furniture and Fixtures			
(2) Intangible Assets:		27,000	30,000
Goodwill		45,000	50,000
Patents			
(b) Other Non- Current Assets:		1,000	1,200
Debenture Discount		500	1,000
Preliminary Expenses			
(3) Current Assets:			
(a) Inventories: Stock		96,000	50,000
(b) Trade Receivables: Debtors		70,000	45,000
(c) Cash and Cash Equivalents:		7,000	5,800
Cash and Bank		<b>5,50,000</b>	<b>4,18,000</b>
<b>Total</b>			

**Additional Information:**

- (1) Depreciation written off: Land and Building Rs.18,000; Machinery Rs.6,500; Patents Rs.10,000; Furniture and Fixtures Rs.3,000.
- (2) During the year Machinery of Rs.40,000 was sold at Rs.20,000.
- (3) During the year taxes and dividend paid were Rs.5,000 and 10,000 respectively.

- Q:2** A. Raishna Ltd. deals in five products, A, B, C, D and E which are neither similar nor interchangeable. At the time of closing of its accounts for the year ending 31<sup>st</sup> March 2023, the historical cost and net realisable value of the items of the closing stock are determined as follows: (7)

ITEMS	HISTORICAL COST (Rs.)	NET REALIZABLE VALUE (Rs.)
A	22,80,000	9,50,000
B	19,60,000	10,32,000
C	6,32, 000	2,89,000
D	8,50,000	8,50,000
E	6,40,000	4,30,000

What will be the value of closing stock for the year ending 31<sup>st</sup> March, 2023 as per "Valuation of Inventories"?

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- B. A company acquired a machine on 1-4-2016 for Rs.50,00,000. The company charged depreciation upto 2018-19 on straight line basis with estimated working life of 10 years and scrap value of Rs.5,00,000. From 2019-20, the company decided to change depreciation method at 20% on reducing balance method. Compute the amount of depreciation to be debited to Profit and Loss Account for the year 2019-20. (7)

OR

- Q:2 A. During the current year 2019-20 M/s P & S Ltd. made the following expenditure relating to its plant and machinery: (7)

PARTICULARS	Rs.
General repairs	8,00,000
Repairing of electric motors	2,00,000
Partial replacement of parts of machinery	10,00,000
Substantial improvements to the electrical wiring system Which will increase efficiency of the plant and machinery	20,00,000

What amount should be capitalised?

- B. From the following information related to RK Ltd., calculate Diluted Earnings Per Share: (7)

Net Profit for the current year

Rs.1,00,00,000

Number of equity shares outstanding 20,00,000

Basic earnings per share Rs.5.00

Number of 11% convertible debentures of Rs.100 each 50,000

Each debenture is convertible into 8 equity shares.

Interest expense for the current year

Rs.2,50,000

Tax saving relating to interest expense (30%) Rs.65,000

- Q:3 Prepare a segmental report for publication in XYZ Ltd. from the following details of the company's three divisions and the head office: (14)

Particulars	Head Office Rs.('000)	Forging Shop Division Rs.('000)	Bright Bar Division Rs.('000)	Fitting Division Rs.('000)
Pre-tax operating result		120	15	(6)
Head office cost reallocated		72	36	36
Interest Costs		6	8	2
Fixed Assets	150	600	120	360

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Net current Assets	72	180	60	135
Long term liabilities	104	60	30	360

	Rs.('000)
Forging Shop Division	
Sales to Bright Bar Division	4,575
Other Domestic Sales	90
Export Sales	6,135
	<b>10,800</b>
Bright Bar Division	
Sales to Fitting Division	45
Export Sales to Rwanda	300
	<b>345</b>
Fitting Division	
Export Sales to Maldives	<b>270</b>

**OR**

- Q:3** A. In April, 2021 a Limited Company issued 2,40,000 equity shares of Rs.100 each. Rs.50 per share was called up on the date which was paid by all shareholders. The remaining Rs.50 was called up on 1-9-2021. All shareholders paid the sum in September, 2021, except one shareholder having 24,000 shares. The net profit for the year ended 31-3-2022 is Rs.5,28,000 after dividend on preference shares and dividend distribution tax of Rs.1,28,000. Compute basic EPS for the year ended 31-3-2022. (7)
- B. From the following information relating to X Ltd. Calculate Earnings Per Share (EPS): (7)

Particulars	Rs. In Crores
Profit before V.R.S Payments but after depreciation	300
Depreciation	40
VRS payments	128.4
Provision for taxation	40
Fringe benefit tax	20
Paid up Share Capital (Shares of Rs.10 each fully paid)	372

- Q:4** (A) An unquoted long- term investment is carried in the books at cost of Rs.2 lacs. The published accounts of unlisted company received in May, 2019 showed that the company has incurred cash losses with decline market share and the long-term investment may not fetch more than Rs.20,000. How you will deal with it in the financial statement of investing company for the year ended 31-3-19? (7)
- (B) What is amalgamation? Explain both the methods of amalgamation. (7)

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**OR**

**Q:4** Prepare format of Profit and Loss A/c & Balance Sheet as per Schedule 6 of companies Act. **(14)**

**Q:5** Following is the summarised Balance Sheet of Manan Ltd. as on 31-3-2023: **(14)**

Particulars	Note	Rs.
<b>(1) Equity and Liabilities:</b>		
(1) Shareholders' Funds:		
(a) Share Capital:		
Equity Shares of Rs. 10 each		5,00,000
10% Preference Shares of Rs. 100 each		2,00,000
(b) Reserves and surplus		3,50,000
(2) Non- Current Liabilities:		
(a) Long Term Borrowings: 10% Debentures		6,00,000
(3) Current Liabilities:		
(a) Trade Payables:		
Creditors		2,80,000
Bills Payables		90,000
(b) Other Current Liabilities:		
Bank Overdraft		60,000
Unpaid Expenses		1,20,000
<b>Total</b>		<b><u>22,00,000</u></b>
<b>(2) Assets:</b>		
(1) Non- Current Assets:		
(a) Fixed Assets:		
(1) Tangible Assets:		
Land and Building		10,00,000
Plant and Machinery		5,00,000
Furniture		2,00,000
(b) Other Non-Current Assets: Preliminary Expenses		1,20,000
(2) Current Assets:		
(a) Short Term Investments		1,00,000
(b) Inventories: Stock		1,00,000
(c) Trade Receivables:		
Debtors		60,000
Bills Receivables		60,000
(d) Cash and cash Equivalents: Cash Balance		60,000
<b>Total</b>		<b><u>22,00,000</u></b>

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Summarised Profit and Loss Statement for the year ending on 31-3-2023:

Particulars	Rs.
Sales (25% Cash Sales)	40,00,000
Less: Cost of goods sold	28,00,000
<b>Gross Profit</b>	<b>12,00,000</b>
Net Profit (Before interest and tax 50%)	9,00,000
Less: 10% Debenture Interest	1,00,000
Profit before tax	8,00,000
-50% taxes	4,00,000
<b>Net Profit (after interest and tax)</b>	<b>4,00,000</b>

Credit Purchases

55,00,000

Opening Stock

3,00,000

**Calculate following ratios (360 days of the year):**

(1) Current Ratio

(2) Liquid Ratio

(3) Gross Profit Ratio

(4) Net Profit Ratio

(5) Stock Turnover

(6) Debtors Ratio

(7) Creditors Ratio

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