

## MBA MM Sem.-1 Examination

FC-108

FA &amp; B

January-2024

Time : 2-30 Hours]

[Max. Marks : 70]

|     |   |  |            |    |
|-----|---|--|------------|----|
| Q-1 | A) Prepare Ledgers of relevant accounts in the Books of Haldiram & Sons for the month ending on 31-03-2023: |  |            | 14 |
|     | 2023  |  | Amt. (Rs.) |    |
|     | March   |  |            |    |
|     | 01  | Haldiram & Sons commenced business with cash                         | 80,000     |    |
|     | 02  | Purchased goods for cash   | 36,000     |    |
|     | 03  | Machinery purchased for cash   | 4,000      |    |
|     | 04  | Purchased goods from:  |            |    |
|     |   | Rahul  | 22,000     |    |
|     |   | Dilip  | 30,000     |    |
|     | 06  | Returned goods to Rahul  | 4,000      |    |
|     | 08  | Paid to Rahul, in full settlement of his account                     | 17,500     |    |
|     | 10  | Sold goods to Mahesh Chand & Co. for Rs. 32,000 at 5% trade discount |            |    |
|     | 13  | Received cash from Mahesh Chand & Co.                                | 19,800     |    |
|     |   | Discount allowed   | 200        |    |
|     | 15  | Paid cash to Dilip   | 14,850     |    |
|     |   | Discount received  | 150        |    |

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|--|----|--|--------|
|  | 20 | Sold goods for cash                          | 25,000 |
|  | 24 | Sold goods for cash to Sudhir Ltd.           | 18,000 |
|  | 25 | Paid for rent                                | 1,500  |
|  | 26 | Received for Commission                      | 2,000  |
|  | 28 | Withdrawn by Proprietor for his personal use | 5,000  |
|  | 28 | Purchased a fan for Proprietor's house       | 1,200  |

  

|     |   |                  |                  |
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| Q-2 | <p><b>A)</b> Rana and Balu were partners sharing profits and losses in the ratio of 3:2 with effect from 01-10-2023. Kaka joins as a third partner. The new profit sharing ratio was 2:2:1.</p> <p>The following is their trial balance as on 31-03-2024:</p> | 14               |                  |
|     |   |                  |                  |
|     | Particulars   | Debit Rs.        | Credit Rs.       |
|     | Drawing & Capital - Rana  | 15,000           | 3,00,000         |
|     | Balu  | 10,000           | 2,00,000         |
|     | Kaka  | 5,000            | 1,50,000         |
|     | Opening Stock (01-04-2023)  | 30,000           | -                |
|     | Purchase & Sales  | 9,00,000         | 14,00,000        |
|     | Wages   | 1,40,000         | -                |
|     | Furniture   | 2,00,000         | -                |
|     | General Expenses  | 60,000           | -                |
|     | Selling Expenses  | 14,000           | -                |
|     | Debtors & Creditors   | 6,26,000         | 2,50,000         |
|     | Cash & Bank Balance   | 3,50,000         | -                |
|     | Amount brought by Kaka (for his share of Goodwill)  | -                | 50,000           |
|     |   | <b>23,50,000</b> | <b>23,50,000</b> |

a. Stock on 31-03-2024 is Rs. 1,80,000  
 b. Purchases from 01-04-2023 to 30-09-2023 were Rs. 4,00,000  
 c. Sales from 01-04-2023 to 30-09-2023 were Rs. 6,00,000  
 d. Wages from 01-04-2023 to 30-09-2023 were Rs. 60,000  
 e. Stock on 30-09-2023 was Rs. 80,000  
 f. Furniture worth Rs. 1,00,000 was purchased on 01-01-2024. Write off depreciation on Furniture at 20% p.a.  
 g. Interest on Partner's Capital is to be provided at 12% p.a.  
 h. No interest is to be charged on Partner's Drawings.

You are required to prepare:

1. Profit & Loss A/c and Profit & Loss Appropriation A/c with columns for 01-04-2023 to 30-09-2023 and 01-10-2023 to 31-03-2024.
2. Balance sheet as on 31-03-2024.

OR

**B)** SS Himalaya set out on a voyage from Calcutta to Bombay, on December 31st the accounts are to be closed, the return voyage had not been completed. The details for the Voyage to Bombay and back to Calcutta completed after December 31st were:

| Particulars                  | Amt. (Rs.) |
|------------------------------|------------|
| Freight                      | 4,00,000   |
| Coal consumed                | 70,000     |
| Salaries consumed            | 30,000     |
| Port Charges                 | 15,000     |
| Salaries to Crew             | 40,000     |
| Depreciation                 | 40,000     |
| Insurance Premium of Ship    | 20,000     |
| Insurance premium of Freight | 8,000      |
| Address Commission           | 5%         |
| Primage                      | 10%        |

Prepare Voyage Account.

|     |   |    |
|-----|---|----|
| Q-3 | A) The balance sheets of a firm as on 31st December 2022 and 2023 are | 14 |
|-----|---|----|

|                          | given below: |          |                  |          |          |  |  |
|--------------------------|--------------|----------|------------------|----------|----------|--|--|
| Liabilities              | 2022         | 2023     | Assets           | 2022     | 2023     |  |  |
| Share Capital            | 1,00,000     | 1,60,000 | Fixed Assets     | 1,52,000 | 2,00,000 |  |  |
| Retained Earnings        | 70,250       | 85,300   | Inventory        | 93,400   | 89,200   |  |  |
| Accumulated Depreciation | 60,000       | 40,000   | Debtors          | 30,800   | 21,100   |  |  |
| 12% Debentures           | 50,000       | -        | Prepaid Expenses | 3,950    | 3,000    |  |  |
| Creditors                | 28,000       | 48,000   | Prepaid Expenses | 3,950    | 3,000    |  |  |
|                          |              |          | Bank             | 28,100   | 20,000   |  |  |
|                          | 3,08,250     | 3,33,300 |                  | 3,08,250 | 3,33,300 |  |  |

**Additional Information:**

1. Net Profit is Rs. 27,050
2. Depreciation charges Rs. 10,000
3. Cash dividend declared during the period is Rs. 12,000
4. An addition to the building was made during the year at a cost of Rs. 78,000 and fully depreciated equipment costing Rs. 30,000 was discarded as no salvage value was realized.

Prepare Cash flow Statement.

**OR**

**B)** Following is the summarized balance sheet of Mona Ltd. as on 31-03-2023.

| Particulars                      | Amt. (Rs.) | Particulars    | Amt. (Rs.) |
|----------------------------------|------------|----------------|------------|
| Eq. Shares of Rs. 10 each        | 10,00,000  | Fixed Assets   | 20,00,000  |
| 10% Pref. Shares of Rs. 100 each | 4,00,000   | Investments    | 2,00,000   |
| Reserves & Surplus               | 7,00,000   | Closing Stock  | 2,00,000   |
| 15% Debentures                   | 5,00,000   | Sundry Debtors | 4,60,000   |

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|                  |           |                      |           |
|------------------|-----------|----------------------|-----------|
| Sundry Creditors | 2,40,000  | Bills Receivables    | 60,000    |
| Bank OD          | 1,60,000  | Cash at Bank         | 60,000    |
|                  |           | Preliminary Expenses | 20,000    |
|                  | 30,00,000 |                      | 30,00,000 |

Summarized Profit & Loss A/c is as under for the year ending on 31-03-2023:

|   | Amt. (Rs.)       |
|---|------------------|
| Sales (25% Cash Sales)                          | 80,00,000        |
| Less: Cost of Goods Sold                        | (56,00,000)      |
| <b>Gross Profit</b>                             | <b>24,00,000</b> |
| <b>Net Profit (before interest and tax 50%)</b> | <b>9,00,000</b>  |

Calculate the following ratios:

1. Proprietary Ratio
2. Debt-Equity Ratio
3. Rate of Return on Capital Employed
4. Rate of Return on Equity Shareholders' Fund
5. Capital Gearing Ratio
6. Debtors Ratio (365 days a year)
7. Creditors Ratio (365 days a year)

Q-4 A) You are required to prepare Financial Statements from the following trial balance of Mehul Company Ltd. for the year ended 31st March, 2023.

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**Mehul Company Ltd.**  
**Trial Balance as at 31st March, 2023**

| Particulars          | Amt. (Rs.) | Particulars                     | Amt. (Rs.) |
|----------------------|------------|---------------------------------|------------|
| Stock                | 68,000     | Eq. Share Capital (Rs. 10 each) | 2,50,000   |
| Furniture & Fixtures | 50,000     | 11% Debentures                  | 50,000     |
| Discount             | 4,000      | Bank Loans                      | 64,500     |
| Loan to Directors    | 8,000      | Bills Payable                   | 12,500     |

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|  |                       |          |   |          |  |
|--|-----------------------|----------|---|----------|--|
|  | Advertisement         | 2,000    | Creditors                                       | 15,600   |  |
|  | Bad Debts             | 3,500    | Sales   | 4,26,800 |  |
|  | Commission            | 12,000   | Rent Received                                   | 4,600    |  |
|  | Purchases             | 2,31,900 | Transfer Fees                                   | 1,000    |  |
|  | Plant & Machinery     | 86,000   | Profit & Loss Appropriation A/c                 | 13,900   |  |
|  | Rentals               | 2,500    | Provision for Depreciation of Plant & Machinery | 14,600   |  |
|  | Current Account       | 4,500    |   |          |  |
|  | Cash                  | 800      |   |          |  |
|  | Interest on Bank Loan | 11,600   |   |          |  |
|  | Preliminary Expenses  | 1,000    |   |          |  |
|  | Wages                 | 90,000   |   |          |  |
|  | Consumables           | 8,400    |   |          |  |
|  | Freehold Land         | 1,54,600 |   |          |  |
|  | Tools & Equipments    | 24,500   |   |          |  |
|  | Goodwill              | 26,500   |   |          |  |
|  | Debtors               | 28,700   |   |          |  |
|  | Bills Receivables     | 15,300   |   |          |  |
|  | Dealer Aids           | 2,100    |   |          |  |
|  | Transit Insurance     | 3,000    |   |          |  |
|  | Trade Expenses        | 7,200    |   |          |  |
|  | Distribution Freight  | 5,400    |   |          |  |

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|                        |  |                        |                 |  |  |  |                 |  |                 |  |
|------------------------|--|------------------------|-----------------|--|--|--|-----------------|--|-----------------|--|
|                        | <table border="1"><tr><td>Debentures<br/>Interest</td><td>2,000</td><td></td><td></td></tr><tr><td></td><td><b>8,53,500</b></td><td></td><td><b>8,53,500</b></td></tr></table>   | Debentures<br>Interest | 2,000           |  |  |  | <b>8,53,500</b> |  | <b>8,53,500</b> |  |
| Debentures<br>Interest | 2,000  |                        |                 |  |  |  |                 |  |                 |  |
|                        | <b>8,53,500</b>  |                        | <b>8,53,500</b> |  |  |  |                 |  |                 |  |
|                        | <p><b>OR</b></p> <p><b>B)</b> Prepare the Statement of Income and Expenditure and Balance Sheet and explain its elements.</p>  |                        |                 |  |  |  |                 |  |                 |  |
| <b>Q-5</b>             | <p>Bubbles Ltd. is considering buying a new machine which would have a useful economic life of 5 years, at a cost of Rs. 25,00,000 and a scrap value of Rs. 3,00,000 with 80% of the cost being payable at the start of the project and 20% at the end of the first year. The machine would produce 75,000 units per annum, a new product with an estimated selling price of Rs. 300 per unit. Direct Costs would be Rs. 285 per unit and annual fixed costs, including depreciation calculated on a straight-line basis, would be Rs. 8,40,000 per annum.</p> <p>In the first and second year, special sales promotion expenditure, not included in the above costs, would be incurred, amounting to Rs. 1,00,000 and Rs. 1,50,000 respectively.</p> <p>Evaluate the project using the NPV method of investment appraisal, assuming the company's cost of capital to be 15%.</p> <p>Note: 12% discounting factors:</p> <p>Year 0 - 1.000<br/>Year 1 - 0.892<br/>Year 2 - 0.797<br/>Year 3 - 0.711<br/>Year 4 - 0.635<br/>Year 5 - 0.567</p> | <b>14</b>              |                 |  |  |  |                 |  |                 |  |

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