

MBA MM Sem.-1 Examination

FC-108

FA & B

January-2024

Time : 2-30 Hours]

[Max. Marks : 70

Q-1	<p data-bbox="405 815 1316 882">A) Prepare Ledgers of relevant accounts in the Books of Haldiram & Sons for the month ending on 31-03-2023:</p> <table border="1" data-bbox="352 920 1310 1935"> <thead> <tr> <th data-bbox="357 927 480 981">2023</th><th data-bbox="480 927 1139 981"></th><th data-bbox="1139 927 1305 981">Amt. (Rs.)</th></tr> </thead> <tbody> <tr> <td data-bbox="357 987 480 1041">March</td><td data-bbox="480 987 1139 1041"></td><td data-bbox="1139 987 1305 1041"></td></tr> <tr> <td data-bbox="357 1048 480 1102">01</td><td data-bbox="480 1048 1139 1102">Haldiram & Sons commenced business with cash</td><td data-bbox="1139 1048 1305 1102">80,000</td></tr> <tr> <td data-bbox="357 1108 480 1162">02</td><td data-bbox="480 1108 1139 1162">Purchased goods for cash</td><td data-bbox="1139 1108 1305 1162">36,000</td></tr> <tr> <td data-bbox="357 1169 480 1223">03</td><td data-bbox="480 1169 1139 1223">Machinery purchased for cash</td><td data-bbox="1139 1169 1305 1223">4,000</td></tr> <tr> <td data-bbox="357 1229 480 1283">04</td><td data-bbox="480 1229 1139 1283">Purchased goods from:</td><td data-bbox="1139 1229 1305 1283"></td></tr> <tr> <td data-bbox="357 1290 480 1344"></td><td data-bbox="480 1290 1139 1344">Rahul</td><td data-bbox="1139 1290 1305 1344">22,000</td></tr> <tr> <td data-bbox="357 1350 480 1404"></td><td data-bbox="480 1350 1139 1404">Dilip</td><td data-bbox="1139 1350 1305 1404">30,000</td></tr> <tr> <td data-bbox="357 1411 480 1464">06</td><td data-bbox="480 1411 1139 1464">Returned goods to Rahul</td><td data-bbox="1139 1411 1305 1464">4,000</td></tr> <tr> <td data-bbox="357 1471 480 1525">08</td><td data-bbox="480 1471 1139 1525">Paid to Rahul, in full settlement of his account</td><td data-bbox="1139 1471 1305 1525">17,500</td></tr> <tr> <td data-bbox="357 1532 480 1585">10</td><td data-bbox="480 1532 1139 1585">Sold goods to Mahesh Chand & Co. for Rs. 32,000 at 5% trade discount</td><td data-bbox="1139 1532 1305 1585"></td></tr> <tr> <td data-bbox="357 1592 480 1646">13</td><td data-bbox="480 1592 1139 1646">Received cash from Mahesh Chand & Co.</td><td data-bbox="1139 1592 1305 1646">19,800</td></tr> <tr> <td data-bbox="357 1653 480 1706"></td><td data-bbox="480 1653 1139 1706">Discount allowed</td><td data-bbox="1139 1653 1305 1706">200</td></tr> <tr> <td data-bbox="357 1713 480 1767">15</td><td data-bbox="480 1713 1139 1767">Paid cash to Dilip</td><td data-bbox="1139 1713 1305 1767">14,850</td></tr> <tr> <td data-bbox="357 1774 480 1827"></td><td data-bbox="480 1774 1139 1827">Discount received</td><td data-bbox="1139 1774 1305 1827">150</td></tr> </tbody> </table>	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	14
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Q-2	<p>A) 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> <table> <tr> <th>Particulars</th><th>Debit Rs.</th><th>Credit Rs.</th></tr> <tr> <td>Drawing & Capital - Rana</td><td>15,000</td><td>3,00,000</td></tr> <tr> <td>Balu</td><td>10,000</td><td>2,00,000</td></tr> <tr> <td>Kaka</td><td>5,000</td><td>1,50,000</td></tr> <tr> <td>Opening Stock (01-04-2023)</td><td>30,000</td><td>-</td></tr> <tr> <td>Purchase & Sales</td><td>9,00,000</td><td>14,00,000</td></tr> <tr> <td>Wages</td><td>1,40,000</td><td>-</td></tr> <tr> <td>Furniture</td><td>2,00,000</td><td>-</td></tr> <tr> <td>General Expenses</td><td>60,000</td><td>-</td></tr> <tr> <td>Selling Expenses</td><td>14,000</td><td>-</td></tr> <tr> <td>Debtors & Creditors</td><td>6,26,000</td><td>2,50,000</td></tr> <tr> <td>Cash & Bank Balance</td><td>3,50,000</td><td>-</td></tr> <tr> <td>Amount brought by Kaka (for his share of Goodwill)</td><td>-</td><td>50,000</td></tr> <tr> <td></td><td>23,50,000</td><td>23,50,000</td></tr> </table> <p>Other Information:</p>	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		23,50,000	23,50,000	14
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- 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
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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

E1212-5

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)
Gross Profit	24,00,000
Net Profit (before interest and tax 50%)	9,00,000

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.

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

14

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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		

E1212-7

	<table><tr><td>Debentures Interest</td><td>2,000</td><td></td><td></td></tr><tr><td></td><td>8,53,500</td><td></td><td>8,53,500</td></tr></table>	Debentures Interest	2,000				8,53,500		8,53,500	
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	8,53,500		8,53,500							
	<p>OR</p> <p>B) Prepare the Statement of Income and Expenditure and Balance Sheet and explain its elements.</p>									
<p>Q-5</p>	<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: Year 0 - 1.000 Year 1 - 0.892 Year 2 - 0.797 Year 3 - 0.711 Year 4 - 0.635 Year 5 - 0.567</p>	<p>14</p>								

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