

MCom (HPP) Sem.-1 AAA Examination

CC-5

Accounting for Managers

February-2025

[Max. Marks : 70]

Time : 2-30 Hours]

Q.1

- (A) Explain the types of financial statements. 7
 (B) State the features of corporate financial statement. 7

OR

Q.1

- (A) Explain the meaning of IFRS. Discuss the scope and requirements of IFRS. 7
 (B) Explain the concept of corporate financial statements. 7

Q.2

(A) The capital structure of Saumya ltd. as on 31-3-2024 is as follows:

	(₹)
Equity share capital of ₹ 10 each	16,00,000
9% preference share capital of ₹ 10 each	6,00,000
	22,00,000

Additional information:

- a) Profit (after tax at 35 per cent), ₹ 5,40,000,
 b) Equity dividend paid, 20 per cent;
 c) Market price of equity shares, ₹ 40.

You are required to compute the following:

- (i) Dividend yield on the equity shares
 (ii) Cover for the preference share dividend
 (iii) Earnings per shares
 (iv) Price-earnings ratio. 7

(B) The following information related to Renu Ltd. for the year ended 31st March 2024:

Net Working Capital	₹ 36,00,000
Fixed Assets to Proprietor's Fund Ratio	0.75
Working Capital Turnover Ratio	5 Times
Return on Equity (ROE)	15%

There is no Debt Capital.

You are required to calculate:

- (a) Proprietor's Fund,
 (b) Fixed Assets, and
 (c) Net Profit Ratio. 7

OR

(P.T.O)¹

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Q.2 The following are the Balance Sheet of Virat Ltd. as on 31st March 2023 and 2024:

Equity & Liabilities	31.3.2023	31.3.2024	Assets	31.3.2023	31.3.2024
	₹	₹		₹	₹
Share Capital	16,00,000	16,00,000	Plant & Machinery	14,50,000	17,50,000
Reserves & Surplus (P&L)	3,50,000	6,50,000	Investment	2,50,000	3,00,000
Trade payables	60,000	80,000	(Long-term)		
Bills Payable	40,000	60,000	Inventories	2,00,000	1,50,000
Provision for Tax	50,000	60,000	Trade Receivables	1,00,000	1,50,000
			Cash & cash equivalents	1,00,000	1,00,000
	21,00,000	24,50,000		21,00,000	24,50,000

Additional Information:

- Depreciation charged during the year 2023-24:
On Plant & Machinery ₹ 1,00,000
- Provision for tax of ₹50,000 was made during the year 2023-24.
- Interim dividend paid during the year 2023-24 was ₹50,000.

Prepare: Prepare a Cash Flow Statement as per AS-3.

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Q.3 The Balance Sheet of Suhani Ltd. as on 1st April, 2023 and the Income Statement for the year ending on 31st March, 2024 are as under:

Balance Sheet as at 1st April, 2023

Equity & Liabilities	Amt. (₹)	Assets	Amt. (₹)
Share Capital	10,000	Plant	15,000
10% Debentures	6,000	Stock	2,400
Creditors	3,600	Debtors	1,200
		Cash and Bank	<u>1,000</u>
	<u>19,600</u>		<u>19,600</u>

Income Statement for the year 2023-2024

Particulars	Amt. (₹)	Amt. (₹)
Sales		10,000
Less: Cost of Goods Sold:		
Opening Stock (FIFO)	2,400	
+ Purchase (Net)	<u>4,600</u>	
	7,000	
-Closing Stock (FIFO)	<u>2,000</u>	<u>5,000</u>
Gross Profit		5,000
Less: Operating expenses	800	
Depreciation	1,500	
Interest on Debenture paid on 31-3-2024	<u>600</u>	<u>2,900</u>
Retained Earnings		2,100

Debtors and creditors balances remained constant throughout the year.

General price indices were as given below:

On 1-4-2023 200

Average for the year 250

On 31-3-2024 300

You are required to prepare the final accounts for the year ending 31-3-2024 after adjusting for price level changes under CPP method. 14

OR

Q.3 From the following information of Star Ltd. and Moon Ltd., compute the economic value added of both the companies:

Particulars	Star Ltd.	Moon Ltd.
Equity	₹ 1,20,000	₹ 40,000
Long-term debt	₹ 8,000	₹ 12,000
Tax rate	30%	30%
Risk free rate	9%	9%
Market rate of return	16%	16%
Beta factor	1.05	1.25
Interest	₹ 800	₹ 1,200
Profit before interest and tax	₹ 40,000	₹ 15,000

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Q.4

(A) What is Cost Accounting? Explain the advantages of Cost Accounting? 7

(B) Discuss the difference between Financial Accounting and Management Accounting. 7

OR

Q.4 You have been given the following data of Hetvi Ltd.:

Year	Sales	Profit
2022-23	₹ 6,00,000	₹ 1,00,000
2023-24	₹ 7,00,000	₹ 1,20,000

Find out the followings for the year 2023-24:

- (i) P/V ratio,
- (ii) Break-even Point (₹),
- (iii) Margin of safety (₹),
- (iv) Sales required to earn profit of 10% on sales,
- (v) Profit when sales are ₹8,00,000,
- (vi) Sales required earn a profit of ₹1,50,000.

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Q.5 Select the appropriate alternative: (Attempt any Seven out of given) 14

- (1) Current ratio is also known as:
 - (a) Working capital ratio
 - (b) Financial ratio
 - (c) Collection ratio
 - (d) Profitability

- (2) Redemption of Debenture is
 - (a) a financing activity
 - (b) an investing activity

- (c) an operating activity
(d) None of the above
- (3) EVA is _____
(a) Economic variation asset
(b) Economic value added
(c) Economic violation analysis
(d) None of the above
- (4) Rent paid is:
(a) Investing cashflows
(b) Financing cash flows
(c) Operating cash flows
(d) None of the above
- (5) Human resource accounting (HRA) is a process of
(a) Identifying and measuring data
(b) Identifying idea
(c) Measuring data
(d) None of the above
- (6) Which cost accounting method is used in Printing industry?
(a) Job costing
(b) Operating costing
(c) Batch costing
(d) Contract costing
- (7) Which of the following is not a cost accounting technique?
(a) Marginal costing
(b) Standard costing
(c) Budgetary control
(d) Process costing
- (8) Which one of the following is a "Product cost"?
(a) Indirect material
(b) Admin staff salary
(c) Salesman commission
(d) Advertisement expense
- (9) Objective of Management Accounting is:
(a) To prepare financial accounts only
(b) To help management by using total accounting data
(c) To prepare accounts of cost only
(d) To prepare and present financial reports before shareholders
- (10) The difference between Total sales and Break-even sales is called _____
(a) Fixed expense
(b) Margin of safety
(c) Variable cost
(d) Contribution

(11) Financial statements as per IFRS are presented at

- (a) Market value
- (b) Historical cost
- (c) Replacement cost
- (d) Fair value

(12) Environmental cost includes:

- (a) Capital expenditure
- (b) Waste management cost
- (c) Maintenance cost
- (d) All of the above



