

## MCom (HPP) Sem.-1 FFS Examination

## CC-5

## Accounting for Finance

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 31<sup>st</sup> 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

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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 (Long-term)	2,50,000	3,00,000
Trade payables	60,000	80,000	Inventories	2,00,000	1,50,000
Bills Payable	40,000	60,000	Trade Receivables	1,00,000	1,50,000
Provision for Tax	50,000	60,000	Cash & cash equivalents	1,00,000	1,00,000
	<b>21,00,000</b>	<b>24,50,000</b>		<b>21,00,000</b>	<b>24,50,000</b>

**Additional Information:**

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

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

14

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

**Balance Sheet as at 1<sup>st</sup> 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	1,000
	<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

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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

14

**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.

14

**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

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- (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

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