

- (d) Trial Balance judge arithmetical accuracy of accounts. Elucidate.
- (e) Compare and contrast Fund flow and balance sheet.
- (f) Explain the difference between cash and Operating cycle.
- (g) State the treatment of Provision for Tax if treated as current and non current liability in funds flow statement.
- (h) Which inventory valuation technique is permitted in AS2?
- (i) Give journal entries of the following transactions in accounting:
 - (i) In which there is an increase in one asset and decrease in another.
 - (ii) In which there is increase in cash and decrease in stock.
- (j) "Financial Negotiation is major function of modern financial manager". Elaborate with an example.

SECTION - B

Attempt any five questions of the following:

(5x10=50)

2. What are the generally accepted accounting principles

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(2)

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- ? How do they benefit management of what problems do they create for it.
3. State the difference between Comparative and Common size statement with imaginary example of your choice.
 4. What are the recent changes made in Balance sheet according to Companies Act 2013?
 5. Explain the journal entries and adjustments affecting the preparation of a balance sheet related to :
 - (a) Outstanding Expenses of Rs20000 and Prepaid Expenses of Rs 10000.
 - (b) Outstanding income of Rs 30000 and Incomes received in advance of Rs40000.
 6. Discuss Accounting policy for amortization of intangible assets. Should Goodwill be amortized. Give arguments.
 7. The following data relate to some important items of a company disclosing its development during last five years:

	2009	2014
Working Capital	2,33,53,010	3,82,50,955
Plant & Equipment	99,78,420	2,41,76,835
Long term Debt	72,80,000	1,40,00,000
Net tangible Asset	2,80,80,230	4,98,76,090

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(3)

[P.T.O.]

Using trend ratios calculate soundness/ weakness of company.

8. Debtors Velocity 2.5 months, Stock Velocity 5 months, Creditors Velocity 3 months, GP ratio 30%. GP for the current year is 900000. Closing stock 30000 more than opening stock. B/R amount Rs. 50000 and B/P is 30000. Find Sales, Debtors, Closing Stock and creditors.
9. State some examples of inflow and outflow of funds and cash in your organization. Also state the calculation of operating activities via direct and indirect method of Cash Flow Statement.

SECTION-C

Attempt any two parts:

(15×2=30)

10. The following Trial balance is of Shri Om, as on 31st March 2008, you are requested to prepare Trading and Profit & Loss Account for the year ended 31st March 2008 and make necessary adjustments:

	Dr.	Cr.
Sundry Debtors	5,00,000 - 25000	
Sundry Creditors		2,00,000
Outstanding Liabilities for Expenses	55,000	
Wages	1,00,000	
Carriage Outwards	1,10,000	
Carriage Inwards	50,000	

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General Expenses	70,000	
Cash Discount	20,000	
Bad Debts	10,000	
Motor Car 20%	2,40,000	
Printing and Stationery	15,000	
Furniture and Fittings 10%	1,10,000	
Advertisement	85,000	
Insurance	45,000	
Salesman's Commission	87,500	
Postage and Telephone	57,500	
Salaries	1,60,000	
Rates and taxes	25,000	
Drawings	20,000	
Capital Account		14,43,000
Purchases	15,50,000	
Sales		19,87,500
Stock on 1-4-2007	2,50,000	
Cash at Bank	60,000	
Cash in hand	10,500	
TOTAL	<u>36,30,500</u>	<u>36,30,500</u>

The following adjustment are to be made:

- (a) Stock on 31st March, 2008 was values at Rs. 7,25,000. C.S
- (b) A provision for Bad and Doubtful Debts are to be created to the extent of 5% on sundry Debtors.
- (c) Depreciate Furniture and Fitting by 10% Motor Car

by 20%

(d) Shri Om had withdrawn goods worth Rs. 25,000 during the year.

(e) Sales include goods worth Rs. 75,000 sent out to Sudhir & co on approval.

The cost of the goods sent were Rs.50,000.

(f) The Salesman was entitles to commission of 5% on total sales.

(g) Debtors include Rs. 25,000 bad debts.

(h) Printing and Stationary expenses of Rs. 55,000 relating to 2007-2008 had not been provided in that year but was paid in year by debiting outstanding liabilities during this year.

(i) Purchases include purchase of Furniture worth Rs. 50,000.

11. On 1st April 2002 a new plant was purchased for Rs 40000 and a further sum of Rs 2000 was spent on its installation. On 1st October 2004 another plants was purchased for Rs 25000. Due to an accident on 3/1/05, first plant was destroyed and remnants were Rs1000 only. On 21/1/06 a second plants was purchased for Rs30000 and erection charges are Rs5000. Deprecation is to be provided 10% on SLM. It was a practice to charge

depreciation for full year irrespective of purchase and sale of asset. Accounts are closed on 31st March every year. It is now decided to change the method of depreciation from straight to diminishing method @ 15% and make necessary adjustment with retrospective effect on existing plants. Prepare Plant and accumulated Depreciation Account for all the years.

12. From the following are the Comparative balance Sheet of Gupta & Co., you are required to prepare

(a) Schedule of Changes in Working Capital (b) Fund Flow Statement (c) Fund From Operations.

Balance Sheet

<i>Liabilities</i>	<i>2013 Rs.</i>	<i>2014 Rs.</i>	<i>Assets</i>	<i>2013 Rs.</i>	<i>2014 Rs.</i>
Share Capital	90,000	1,00,000	Goodwill	12,000	10,000
General Reserve	14,000	18,000	Buildings	40,000	36,000
Profit & Loss	19,500	12,000	Machinery	37,000	36,000
Provision for Taxation	16,000	17,000	Stock	30,000	25,400
Sundry Creditors	8,000	5,400	Debtor	20,000	22,200
Bills Payable	6,200	1,300	Cash at Bank	6,600	15,200
provision for Debtors	1,900	2,100	Investments	10,000	11,000
	155,600	155,800		155,600	155,800

35500

(7)

[P.T.O.]

Additional Information:

Depreciation charged on Machinery was Rs. 4000 on building Rs. 4000.

Interim Dividend paid during 2014 was Rs. 7500.

Provision of Rs. 5000 was made for taxation during the 2014.

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Particulars	2014	2013
Share Capital	10000	10000
Reserves	10000	10000
Profit & Loss	10000	10000
Depreciation	10000	10000
Interim Dividend	10000	10000
Provision for Taxation	10000	10000
Investments	10000	10000
Other Assets	10000	10000
Other Liabilities	10000	10000
Total	125000	125000

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(8)

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