



- c. The following figures relate to a trading company as on 31st March 2021: **10** (3 :3 : 3)

Sales	5,00,000
Purchases	3,50,000
Opening stock	55,000
Closing Stock	70,000
Operating expenses	45,000
Depreciation	5,000
Provision for Taxation	35,000
<b>Non Operating Income:</b>	
Dividend Received	6,000
Profit on sale of fixed assets	30,000
<b>Non Operating Expenses:</b>	
Loss on sale of shares	1,500

Construct the income statement in vertical format as per companies Act

4. a. Profit available to equity shareholders is Rs.10,00,000 **03** (3 :4 : 2)  
 No. of equity shares 1,00,000  
 Market value per share is Rs. 300  
 Determine the EPS and P/E Ratio.
- b. Compute the liquidity ratios from the following: **07** (3 :4 : 2)

❖ Stock Rs.6,000	❖ Debtors Rs.12,000
❖ Cash Rs.3,000	❖ Bank Balance- Rs.5,000
❖ B/R -Rs. 5,000	❖ Creditors Rs.3,000
❖ B/P Rs.4,500	❖ Bank over draft Rs. 2,000

- c. Following are the summarized balance sheets of a company as on 31<sup>st</sup> march **10** (3 :4 : 2)

Liabilities	2019	2020	Assets	2019	2020
Equity Share capital	3,00,000	4,00,000	Goodwill	1,15,000	90,000
General reserve	40,000	70,000	Land	2,00,000	1,70,000
Profit & Loss account	30,000	48,000	Machinery	80,000	2,00,000
Preference Share capital	1,50,000	1,00,000	Sundry debtors	1,60,000	2,00,000
Sundry creditors	55,000	83,000	Stock	77,000	1,09,000
B/P	20,000	16,000	B/R	20,000	30,000
Proposed Dividend	42,000	50,000	Cash	15,000	10,000
Provision for taxation	40,000	50,000	Bank	10,000	8,000
	<b>6,77,000</b>	<b>8,17,000</b>		<b>6,77,000</b>	<b>8,17,000</b>

Analyze the cash flow from various activities as per AS3 after considering the adjustments:

- Depreciation on land Rs. 20,000 and on machinery Rs. 10,000
- Interim dividend Paid Rs. 20,000
- Income tax Paid Rs. 35,000

**Note: (RBTL - Revised Bloom's Taxonomy Level: CO - Course Outcome: PI - Programme Outcome)**

5. a. Discuss the concept of standard costing. **03** (3 :5 : 4)
- b. Interpret the characteristics of marginal costing. **07** (2 :5 : 4)
- c. For making 10 units of a product the standard material requirement is **10** (3 :5 : 4)  
 Material A 600 units at Rs. 15 per unit  
 Material B 800 units at Rs.20 per unit  
 Material C 1,000 units at Rs.25 per unit  
**Actual consumption is for same 10 units is as under:**  
 Material A 640 Units at Rs. 17.50 Per unit  
 Material B 950 units at Rs.18 Per unit  
 Material C 870 units at Rs.27.50 per unit  
 Analyze the material variances.
6. a. Indicate the concept of Breakeven analysis. **03** (2 :5 : 4)
- b. Discuss the steps in standard costing. **07** (3 :5 : 4)
- c. Analyze the concepts of absorption costing and marginal costing. **10** (4 :5 : 4)
7. a. Indicate the meaning of trial balance. **03** (2 :2 : 2)
- b. Prepare a Bank reconciliation statement from the following : **07** (3 :2 : 2)  
 (i) Balance as per Cash book Rs.15,000  
 (ii) Cheques deposited but not credited Rs.6,000  
 (iii) Cheques issued but not presented for payment Rs.3,000  
 (iv) Insurance premium paid by Bank Rs.4,000  
 (v) Bank Interest credited Rs.800  
 (vi) Bank charged Rs.200  
 (vii) Direct Deposit made by customer Rs.8,000
- c. From the following ledger balances prepare a trail balance as on 31st March 2021: **10** (4 :2 : 2)

1	Purchases	60,000
2	Bank overdraft	20,000
3	Sales	1,00,000
4	Purchase returns	3,000
5	Sales returns	2,000
6	Opening stock	30,000
7	Machinery	40,000
8	Cash	5,000
9	Land & building	50,000
10	Debtors	80,000
11	Creditors	50,000
12	Capital	94,000

8. Using the following ledger balances of A trading Co Ltd., as on 31<sup>st</sup> March 2020: Prepare final accounts

Particulars	Debit	Credit
Share capital		40,00,000
12% Debentures		30,00,000
P&L account		2,62,500
Bills Payable		3,70,000
Creditors		4,00,000
Sales		41,50,000
General Reserve		2,50,000
Bad Debts Provisions		35,000
Premises	30,72,000	
Plant	33,00,000	
Stock	7,50,000	
Debtors	8,70,000	
Goodwill	2,50,000	
Cash and Bank	4,06,500	
Calls in arrears	75,000	
Interim Dividend Paid	3,92,500	
Purchases	18,50,000	
Preliminary expenses	50,000	
Wages	9,79,800	
General Expenses	68,300	
Salaries	2,02,300	
Bad debts	21,100	
Debenture interest paid	1,80,000	
	1,24,67,500	1,24,67,500

Adjustments:

- ❖ Depreciate plant by 15%
- ❖ Write off Rs.5,000 from preliminary expenses
- ❖ Half years debenture interest due
- ❖ Create 5% provisions on debtors for bad and doubtful debts
- ❖ Provide for income tax at 50%
- ❖ Stock valued on March 31<sup>st</sup> at Rs.9,50,000

- a. Determine cost of goods sold. **03** (3 :3 : 3)
- b. Compute income statement. **07** (3 :3 : 3)
- c. Compute balance sheet in vertical form. **10** (3 :3 : 3)

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