

Seat No.	
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B.Com (Part -III) (Semester - VI) Examination, March - 2018

ADVANCED ACCOUNTANCY(Paper -III)

Sub. Code : 51464

Day and Date : Tuesday, 27 - 03 - 2018

Total Marks : 40

Time : 12.00 noon to 02.00 p.m.

- Instructions :**
- 1) All questions are compulsory.
 - 2) Figures to the right indicate full marks.
 - 3) Use of calculator is allowed.

Q1) Following are the particular for the produciton of 2000 fans of India co Ltd. for the year 31st March, 2016.

Particular	Amount
Cost of Material	6,40,000
Wages	9,60,000
Manufacturing Expenses	4,00,000
Salaries	4,80,000
Rent, Rate and Insurance	80,000
Selling Expenses	2,40,000
General Expenses	1,60,000
Sales	32,00,000

The company plans to manufacture 3,000 Fans during 31st. March, 2017. The following additional information is supplied regarding it.

- i) The price of Material is expected to increase by 20%.
- ii) Wages rate are expected to show an increase of 5%.
- iii) Manufacturing expenses will rise in proportion to the combined cost of materials and wages.
- iv) Selling expenses will remain the same.
- v) Other expenses will remain unaffected by rise in output.

P.T.O.

From the above information prepare:

- a) A cost sheet showing Total cost, & Profit for the year ending 31st March 2016. [8]
- b) A cost sheet showing the price at which the fans would be marketed so as to show a profit of 10% on the selling price for the year ending 31st March 2017. [8]

Q2) Attempt any two of the following A, B, C.

- A) Following is the trading and profit and loss account of Sagar Co. Ltd for the year ending 31st March 2017 and Balance Sheet as on the date. [8]

Balance Sheet as on 31.03.2017

Liabilities	Rs	Assets	Rs
2,00,000 Eq Shares of Rs 5 Each	10,00,000	Land & Building	7,00,000
General Reserve	4,00,000	Plant & Machinery	5,00,000
Profit & Loss A/C	4,00,000	Stock	6,00,000
8% Debenture	2,00,000	Sundry debtors	4,00,000
Sundry Creditors	4,00,000	Cash at bank	2,00,000
Total	24,00,000	Total	24,00,000

Trading and Profit and Loss Account

For the year ended 31.03,2017

Particular	Rs	Particular	Rs
To opening stock	2,00,000	By sales	32,00,000
To Purchases-	16,00,000	By Closing Stock	<u>4,00,000</u>
To Gross Profit	<u>18,00,000</u>		<u>36,00,000</u>
	<u>36,00,000</u>	By Gross profit	18,00,000
To Office and administrtion Expenses	4,00,000	By Profit on sale of Assets	50,000
To Selling and distribution Expenses	2,00,000		
To Other Expenses	50,000		
To Net Profit	12,00,000		
Total	18,50,000	Total	18,50,000

Calculate the following Ratio

- i) Current Ratio
- ii) Liquid Ratio
- iii) Debt Equity Ratio
- iv) Operating Ratio

B) Devadkar Co. Ltd. Kolhapur the sales profit for the two periods are as given below: [8]

Period	Sales(Rs.)	Profit(Rs.)
I	1,00,000	9,000
II	1,20,000	13,000

You are required to calculate,

- 1) P/V Ratio
 - 2) BEP (Sales)
 - 3) Profit when Sales are Rs 1,50,000
 - 4) Sales required to earn profit Rs. 50,000
- C) Birla cement Ltd. Its product on a gross profit of 20% on sales. The following information is extracted from its annual accounts for the year ended 31st Dec. 2017. [8]

Particular	Rs
Sales at 3 month credit	60,00,000
Raw Material	18,00,000
Wages paid 15 days in arrears	14,40,000
Manufacturing Exps Paid(one month in Arrears)	18,00,000
Administrative Exps Paid(one month in Arrears)	7,20,000
Sales Promotion Expenses payable half yearly in advance	3,00,000

The company enjoy one month credit form the suppliers of raw materials and maintains 2 months stock of raw materials and one and half month of finished goods. Cash balance is maintained at Rs 1,50,000 Assuming a 10% margin for contingencies, find out the working capital requirements.

Q3) Short Notes (Any Two)

- i) Importance of working capital
- ii) Limitation of Ratio
- iii) Items excluded from cost sheet
- iv) Limitation of marginal costing

