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PRESIDENCY UNIVERSITY

SCHOOL OF LAW MAKE-UP EXAMINATIONS - JAN 2023

Course Code: BBL102
Course Name: MANAGERIAL ACCOUNTING
Program: LLB

Date: 20-JAN-2023
Time: 09:30 AM – 12:30 PM
Max. Marks: 100
Weightage: 50%

Instruction:

Read all questions carefully and answer accordingly

PART A

Answer all the ten questions

10 x 2 = 20

1. Describe any two functions of Management Accounting. (CO1)
2. Give the name of principal tools of analysis of financial statements. (CO1)
3. Calculate current ratio from the following data: (CO2)

Stock Rs.	24000
Cash at bank Rs.	4560
Prepaid insurance Rs.	1440
Sundry Debtors Rs.	18000
Sundry creditors Rs.	46800
Provision for Taxation Rs.	1200
4. What is the formula for Acid test ratio? (CO2)
5. In which side of Fund Flow Statement you will show the following items? (CO3)
 - (i) Increase in Working Capital
 - (ii) Decrease in Working Capital
6. Give any four examples of Sources of Funds. (CO3)
7. List any two examples of Cash Inflows from Investing activities. (CO4)
8. Which accounting standard is followed for preparing Cash Flow Statement? (CO4)
9. What is the difference between Cash Budget and Cash Flow Statement? (CO5)
10. Describe any four qualities of good reporting system. (CO5)

PART B

Answer all the four questions

4 x 10 = 40

11. Define management accounting and explain its objective.
(CO1)

12. (CO2)

Liabilities	RS.	Assets	RS.
Equity Capital	150000	Goodwill (at cost)	50000
10% Preference Capital	50000	Plant and machinery	180000
General Reserve	70000	Land and building	120000
Profit & Loss Account	30000	Stock in trade	60000
9% Debentures	100000	Investments	40000
Sundry Creditors	95000	Stock in trade	35000
Wages outstanding	50000	Cash and bank	15000
	500000		500000

Calculate (i) Debt Equity Ratio (ii) Proprietary Ratio

13. The following are the summaries of the Balance Sheet of ABC Ltd. For two years. (CO3)

Particulars	31-03-2022	31-03-2023
Share Capital	200000	2600000
Profit & Loss Account	39690	41220
Reserves	50000	50000
Sundry Creditors	39500	41135
Bills Payable	33780	11525
Bank Overdraft	59710	---
Provision for taxation	40000	50000
TOTAL	462480	453880
Goodwill	---	20000
Land and Building	113450	116200
Plant and Machinery	148000	144250
Stocks	111040	97370
Sundry Debtors	85175	72625
Bills Receivable	2315	735
Cash	2500	2700
TOTAL	462480	453880

Additional Information:

- i. During the year ending 31st March, 2023 an interim dividend of Rs. 2600 was paid.
- ii. Income tax paid during the year amounted to Rs. 25000
- iii. The net profit for the year before tax was Rs. 62530.

You are required to prepare Statement of Changes of Working Capital, treating provision for taxation as a current liability.

14. Draft the format of Cash Budget. (CO5)

PART C

Answer all the two questions

2 x 20 = 40

15. Calculate the following ratios for K Ltd. with the help of the Balance Sheet as on 31st March, 2023:

Liabilities	Rs.	Assets	Rs.
Share Capital	1500000	Buildings	760000
14% Debentures	400000	Machinery	720000
P. & L. A/C	150000	Short-term investments	450000
General Reserve	350000	Inventories	470000
Creditors	560000	Debtors	530000
Proposed dividends	180000	Cash at Bank	330000
Provision for taxation	130000	Prepaid expenses	10000
	3270000		3270000

- (i) Debt Equity Ratio (5*4)
(ii) Current Ratio
(iii) Liquidity Ratio
(iv) Capital Gearing Ratio (CO2)

16. Following is the balance sheet of AB Co. Ltd. as at 1st January,2022 and 31st December,2022.

Liabilities:		
Equity share capital	300000	350000
Share premium	--	30000
General reserve	45000	65000
Profit and Loss	30000	80800
6% Debentures	--	70000
Sundry Creditors	85000	90700
Provision for taxation	22500	40500
Proposed dividend	30000	35000
Total	512500	762000
Assets:		
Land and building	230000	390000
Plant and machinery	85400	140000
Furniture	5500	6500
Stock	82400	95700
Sundry debtors	75000	85500
Bank balance	34200	44300
Total	512500	762000

Additional Information:

Depreciation written off during the year:	Rs.
Land and building	60000
Plant and machinery	50000
Furniture	1200

You are required to prepare a cash flow statement. (CO4)