

DEPARTMENT OF ACCOUNTANCY – SYBCOM- MANAGEMENT ACCOUNTING

Question Bank:

Q1. From the following balance sheet find

Current Ratio, Liquid Ratio, Proprietary Ratio, Capital Gearing Ratio, Debt-Equity Ratio

Liability	Rs	Assets	Rs
Equity Share Capital	500,000	Fixed Assets	12,00,000
Preference Share Capital	200,000	Stock	5,40,000
Reserves	10,00,000	Debtors	800,000
Loans	4,00,000	Bills Receivable	120,000
Current Liabilities	540,000	Bank	790,000
Provisions	810,000		
Total	34,50,000	Total	34,50,000

Q2. From the following Trading and Profit and loss account find

Gross Profit Ratio, Net Profit ratio, Stock turnover ratio, Office Expense ratio, and Operating ratio

Particulars	Dr	Particulars	Cr
To opening stock	54,300	By sales	510,000
To Purchases	327,150	By Closing Stock	84,000
To Carriage Inward	8,550	By interest received	5400
To office expenses	90,000		
To sales expenses	27,000		
To Loss on sale of Fixed asset	2,400		
To net Profit	90,000		
Total	599,400	Total	599,400

Q3. From the following, prepare the estimated working capital ABC Ltd

Production 30,000 uts	Selling Price pu Rs 10
Raw material= Rs 6 pu	Wages= Rs 1 pu
Overheads= Rs 2 pu	Profit= Rs 1 pu
Material in hand – 2 months requirement	Production time 1 month
Finished goods in store- 3 months	Debtors credit time-3 months
Creditors credit time-2 months	Cash balance-Rs 40,000
Wages and overheads are paid at beginning of the next year	

Q4. From the following, prepare the estimated working capital XYZ Ltd

Production-260,000 uts 52 weeks
 Raw material= Rs 5 pu
 Overheads= Rs 2 pu
 Material in hand – 2 weeks requirement
 Finished goods in store- 2 weeks
 Creditors credit time-2 weeks
 Overheads time lag-2 weeks

Selling Price pu Rs 15
 Wages= Rs 3 pu
 Profit= Rs 5 pu
 Production time 1 month
 Debtors credit time-4 weeks
 Cash balance-Rs 25000
 WIP 50%

- Q5. From the following two alternatives, which machine should MNQ Co. buy
 As per payback period, NPV and Profitability index techniques

Particulars	Year	PVF	Machine I	Machine II
Capital Investment	0	1	400,000	200,000
Cash Flows	1	0.88	120,000	100,000
	2	0.77	80,000	90,000
	3	0.68	80,000	60,000
	4	0.59	70,000	60,000
	5	0.52	80,000	40,000

- Q6. From the following two alternatives, which machine should PMS Co. buy as per payback period, NPV and Profitability index techniques

Particulars	Year	PVF	Machine X	Machine Y
Capital Investment	0	1	20,000	20,000
Cash Flows	1	0.88	2,000	6,000
	2	0.77	6,000	6,000
	3	0.68	6,000	6,000
	4	0.59	6,000	1,000
	5	0.52	6,000	-
	6	0.564	8,000	-

- Q7. From the following P&L, prepare the trend statement in to vertical format (Rs in '000)

Particulars	2015	2016	2017	Particulars	2015	2016	2017
To Cost of sales	160	194	224	By Sales	240	288	320
To office	30	36	34				

expenses							
To Selling Expenses	26	28	30				
To tax	7	10	10				
To Net Profit	17	22	22				
Total	240	288	320	Total	240	288	320

Q8. Convert the following balance sheet into vertical format and prepare Common size balance sheet of Star Ltd

Liabilities	Rs	Assets	Rs
Capital	164,500	Fixed Assets	158,750
Reserves	25,000	Cash	6,750
Loans	56,250	Debtors	27,750
Outstanding expenses	19,500	Prepaid expenses	55,000
		Stock	25,000
		Other Current Assets	2,500
Total	275,750	Total	275,750