



Particular	Per Unit (Rs)
Direct Material	10
Direct Labour	18
Factory Overhead ( 20% Fixed)	16
Administrative Overhead (Fixed)	12
Selling & Distribution overhead (60% Variable)	14

Find out profit or loss at each capacity if selling price per unit is Rs.80 at all level of capacity

**Q-3 Attempt all questions (14)**

**a** State limitations of budgetary control **7**

**b** Prepare Cash budget for the period April to June 2018. **7**

- Opening cash balance 200000.
- Month wise Sales, Purchase, Wages & Other expenses are as under.

Month	Sales	Purchase	Wages	Overheads
March	320000	220000	16000	8000
April	430000	270000	18000	10000
May	320000	310000	17000	12000
June	230000	200000	14000	10000

- Time lag in payment of wages is  $\frac{1}{2}$  month and overhead is  $\frac{1}{4}$  month.
- Dividend of Rs.25000 to be received in May,2018.

**Q-4 Attempt all questions (14)**

**a** Discuss the importance of ratio analysis **7**

**b** Give any five formulas of ratios related to profit & loss account **7**

**Q-5 Attempt all questions (14)**

**a** Capital employed Rs.9,00,000,8% debenture Rs. 1,00,000, 6% preference **7**

share capital Rs. 2,00,000, EBT(PBT) Rs.2,50,000, Income tax rate 50%. Calculate return on capital employed, return on shareholder's fund & return on equity share holder fund.

**b** Explain in brief classification of ratios **7**

**Q-6 Attempt all questions (14)**

**a** State the advantages & limitations in preparing cash budget **7**

**b** Discuss accounting standard 3 in brief **7**

**Q-7 Attempt all questions (14)**

A factory having total annual production capacity of 40,000 units estimates its production cost at 40% and 60% capacity as under **14**

Particulars	40% Capacity	60% Capacity
Direct Material	400000	600000
Direct wages	240000	360000



Direct Expenses	160000	240000
Semi Variable Exp :		
Factory Exp.	700000	800000
Administrative Exp.	520000	580000
Selling Exp.	280000	320000
Total Fixed Exp.	600000	600000
Profit/(loss)	(100000)	700000

Prepare flexible budget at 50%,75% and 90% production capacity and find profit at each level.

Q-8

a

**Attempt all questions**

(14)

Below is the balance sheet of Mr. X

7

Particulars	1-4-17 (Rs.)	31-3-18 (Rs.)
<b>Assets</b>		
Cash	10000	7000
Debtors	30000	50000
Stock	35000	25000
Machinery	80000	55000
Land	40000	50000
building	35000	60000
Total	230000	247000
<b>Liabilities</b>		
Creditors	40000	44000
Mrs. X Loan	25000	-
Loan from bank	40000	50000
Capital	125000	153000
Total	230000	247000

During the year a machine costing Rs.10000(accumulated depreciation Rs.3000) was sold for Rs.5000. The balance of provision for depreciation against machinery as on 1<sup>st</sup> April ,17 was Rs.25000 and on 31<sup>st</sup> March ,18 Rs.40000.Net profit before tax for the year 2017-18 amounted to Rs. 49000.Rs.4000 tax was paid during the year.

You are required to prepare Cash flow statement

b

Discuss the utility of cash flow statement

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