



# AJEENKYA

## D Y PATIL UNIVERSITY

### End Term Examinations (APRIL 2019)

School : School of Management

Program: BBA – International Business

Course: Management Accounting

Course Code: COM201

Semester: IV

Max Marks: 70 Marks

Duration (mins) : 150 (mins)

Note : 1. Figures to the right indicates full marks.

2. Attempt any Four from Q1 to Q5

Q 1. A firm has a sales of Rs. 75,00,000 , variable cost Rs.42,00,000 and fixed cost of 6,00,000. it has a debt of Rs. 45,00,000 at 9% and equity of Rs. 55,00,000. (15 M)

(a) What are the operating financial and combined leverages of the firm?

(b) If the sales drop to Rs. 50,00,000 what will be the value of new EBIT.

Q 2. The balance sheet and Income statement of Pascal Ltd. Are given below: (15M)

Balance Sheet			
Liabilities	Rs.	Assets	Rs
Equity capital of Rs.10 each	300000	Fixed Assets	350000
Long Term Debts	100000	Stock	65000
Account payable	80000	Accounts Receivable	60000
Other current liabilities	20000	Cash	25000
	500000		500000

Income Statement		
Particulars	Rs	Rs
Sales		9,00,000
Less: cost goods sold	4,00,000	
Gen.administration and selling expenses	1,00,000	
All Other Expenses	2,50,000	7,50,000
Net Income		2,50,000

You are required to calculate : 1. Current market price per share if P/E is 8

2. Current Ratio 3 Net Working Capital

4. Current Assets/ Total Assets

Q 3. The following information is available in respect of A textile Ltd .(Rs.In.Lacs) (15 M)

Particulars	Jan	Feb	Mar	Apr	May	Jun
Sales	40	50	60	60	60	40
Purchase(R.M)	15	16	18	18	18	16
Direct labour	06	07	08	08	08	06
Manufacturing Expenses	13	13	14	14	14	13
Administrative Expenses	02	02	02	02	02	02
Distribution Expenses	02	03	04	04	04	02

The following financial flows are expected during the period.

- Interest to be received in January Rs.2 lakhs.
- Dividend to be received during March Rs.2 Lakhs.
- Sales of investment in june –Rs.60 lakhs.
- Interest to be paid in February Rs.1 lakhs
- Dividend to be paid in april Rs 4 lakhs
- Instalment payment on machine to be paid in june Rs 20 lakhs

Assume that 10% of the sales are on cash, the balance 90% are on credit. The term and credit experience of the company are :-

1. No cash discount.
2. 1% of credit sales are returned by the customers.
3. 1% of the total account receivables is bad debts.
4. 50% of accounts that are going to pay do so within 30 days
5. 100% of all accounts that are going to pay do so within 60 days
6. Raw materials are purchased on 30 days credit.

Balance is to be maintained by the end of the month by borrowing temporarily from bank in multiples of Rs.10,000(ignore interest)

Prepare a cash budget from March to June.

Q4. Discuss the difference between Marginal Costing and Absorption Costing (15 M)

Q5.Discuss the importance of ratios and various types of ratio's (15 M)

Q6. Short note (any two) (10 M)

- a) BEP
- b) Current ratio
- c) Financial Leverage
- d) Working Capital
- e) Depreciation

\*\*\*\*\* ALL THE BEST \*\*\*\*\*