



# INSTITUTE OF AERONAUTICAL ENGINEERING

(Autonomous)  
Dundigal, Hyderabad - 500 043

## MASTER OF BUSINESS ADMINISTRATION TUTORIAL QUESTION BANK

|                    |   |                                             |
|--------------------|---|---------------------------------------------|
| Course Name        | : | ACCOUNTING FOR MANAGEMENT                   |
| Course Code        | : | CMBB02                                      |
| Class              | : | I Semester                                  |
| Branch             | : | MBA                                         |
| Academic Year      | : | 2019– 2020                                  |
| Course Coordinator | : | Dr.T. Vara lakshmi, Associate professor MBA |
| Course Faculty     | : | Dr.T. Vara lakshmi, Associate professor MBA |

### COURSE OBJECTIVES:

The course should enable the students to:

|     |                                                                                                                                              |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------|
| I   | Develop an insight of principles of accounting and utilization of financial information for decision making and forward planning for future. |
| II  | Understand financial statements for knowing earning capacity and financial position of the business concern with confidence.                 |
| III | Demonstrate the financial growth of different companies and make analysis of financial accounts.                                             |
| IV  | Describe the significance of financial statements as means of business communication.                                                        |
| V   | Design and Use the analytical techniques and arriving at conclusions from financial information for the purpose of decision making.          |

### COURSE OUTCOMES (COs):

| S.No.     | Description                                                                                                                                        |
|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| CMBB02.01 | Understand and elucidate the objectives, importance of financial accounting and different types of accounting concepts and conventions.            |
| CMBB02.02 | Discuss different types and principles of personal, impersonal accounts, importance and preparation of journal and ledger.                         |
| CMBB02.03 | Describe the significance and preparation of trial balance and final accounts.                                                                     |
| CMBB02.04 | Recognize the causes of depreciation and methods of charging depreciation on fixed assets.                                                         |
| CMBB02.05 | Explain the objectives, significance and different methods of inventory valuation and goodwill valuation.                                          |
| CMBB02.06 | Illustrate the features, merits, demerits and classification of shares and debentures.                                                             |
| CMBB02.07 | Analyze and explain the issue of shares at par, discount, premium, forfeiture of shares and issue of debentures.                                   |
| CMBB02.08 | Evaluate the factors which are influencing on working capital management.                                                                          |
| CMBB02.09 | Identify the significance, limitations and preparation of statement of sources and application of funds and cash flow statement (AS3).             |
| CMBB02.10 | Demonstrate the importance and limitations of financial statements as means of business communication to find the financial soundness of the firm. |
| CMBB02.11 | Enumerate and elucidate the importance and role of different types of financial statements for the purpose of strategic decisions.                 |

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| CMBB02.12 | Examine and interpret the importance, limitations and various types' of financial ratios in view of decision making. |
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### TUTORIAL QUESTION BANK

| S. No                                       | QUESTION                                                                                                         | Blooms Taxonomy Level | Course Outcome (COs) |
|---------------------------------------------|------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------|
| <b>UNIT-I</b>                               |                                                                                                                  |                       |                      |
| <b>INTRODUCTION TO FINANCIAL ACCOUNTING</b> |                                                                                                                  |                       |                      |
| <b>PART-A (SHORT ANSWER QUESTIONS)</b>      |                                                                                                                  |                       |                      |
| 1.                                          | Describe the meaning of financial accounting. List out the significance and limitations of financial accounting. | Remember              | CMBB02.01            |
| 2.                                          | Define double entry system. List out the advantages and disadvantages of double entry system.                    | Remember              | CMBB02.01            |
| 3.                                          | Distinguish between single entry system and double entry system.                                                 | Understand            | CMBB02.01            |
| 4.                                          | Examine the meaning of money measurement concept, cost concept and accounting period concept.                    | Remember              | CMBB02.01`           |
| 5.                                          | Discuss about the dual aspect concept, realization concept and going concern concept.                            | Understand            | CMBB02.01            |
| 6.                                          | Explain the meaning of convention of full disclosure and convention of materiality.                              | Understand            | CMBB02.01            |
| 7.                                          | Explain the meaning of convention of conservatism and convention of consistency.                                 | Understand            | CMBB02.01            |
| 8.                                          | Explain the meaning of accounting concept. List out different types of Accounting concepts.                      | Analyze               | CMBB02.01            |
| 9.                                          | Examine the meaning of business entity concept, matching concept, and cost concept.                              | Remember              | CMBB02.01            |
| 10.                                         | Discuss the meaning, types and principles of impersonal accounts with suitable examples.                         | Analyze               | CCMB002.02           |
| 11.                                         | Examine the meaning, types and principles of personal account with suitable examples.                            | Remember              | CCMB002.02           |
| 12.                                         | Discuss the meaning and principles of real account with suitable examples.                                       | Understand            | CCMB002.02           |
| 13.                                         | Examine the meaning and principles of nominal account with suitable examples.                                    | Understand            | CMBB02.02            |
| 14.                                         | Explain the meaning of cash transactions, credit transactions and non-cash transactions.                         | Understand            | CMBB02.02            |
| 15.                                         | Discuss cash transactions, credit transactions and non-cash transactions with suitable examples.                 | Understand            | CMBB02.02            |
| 16.                                         | Distinguish between personal accounts and impersonal accounts.                                                   | Analyze               | CMBB02.02            |
| 17.                                         | State the meaning of single entry system.                                                                        | Remember              | CMBB02.02            |
| 18.                                         | Demonstrate the meaning of fixed assets with suitable examples.                                                  | Understand            | CMBB02.02            |
| 19.                                         | State the meaning of current assets with suitable examples.                                                      | Remember              | CMBB02.02            |
| 20.                                         | Explain the meaning of intangible assets with suitable examples.                                                 | Understand            | CMBB02.02            |
| <b>PART-B (LONG ANSWER QUESTIONS)</b>       |                                                                                                                  |                       |                      |
| 1.                                          | Explain the meaning, importance and limitations of financial accounting.                                         | Understand            | CMBB02.01            |
| 2.                                          | Define financial accounting and book-keeping. How financial accounting is differentiated from book-keeping?      | Understand            | CMBB02.01            |
| 3.                                          | Discuss the objectives, significance of financial accounting and different stages in the accounting cycle.       | Understand            | CMBB02.01            |
| 4.                                          | Examine the meaning and objectives of financial accounting.                                                      | Remember              | CMBB02.01            |

| S. No                                                           | QUESTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Blooms Taxonomy Level | Course Outcome (COs) |
|-----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------|
| 5.                                                              | Write the meaning, merits, demerits of double entry system and differences between double entry system and single entry systems..                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Analyze               | CMBB02.01            |
| 6.                                                              | Briefly explain the dual aspect concept, realization concept, going concern concept, money measurement concept with suitable examples.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Understand            | CMBB02.01            |
| 7.                                                              | Discuss different types of convention of full disclosure, convention of materiality, convention of conservatism and convention of consistency with suitable examples.                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Understand            | CMBB02.01            |
| 8.                                                              | What do you know about accounting concept? Describe the money measurement concept, dual aspect concept, cost concept, realization concept.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Analyze               | CMBB02.01            |
| 9.                                                              | Classify different types of accounts and principles of personal and impersonal accounts with suitable examples..                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Understand            | CMBB02.02            |
| 10.                                                             | Demonstrate the principles of debit and credit of various accounts with suitable examples.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Understand            | CMBB02.02            |
| <b>PART-C (PROBLEM SOLVING AND CRITICAL THINKING QUESTIONS)</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                       |                      |
| 1.                                                              | Explain the meaning, merits and demerits of double entry system and briefly explain the differences between single and double entry systems.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Understand            | CMBB02.01            |
| 2.                                                              | Briefly explain the dual aspect concept, realization concept, going concern concept, money measurement concept, accounting period concept and cost concept..                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Analyze               | CMBB02.01            |
| 3.                                                              | Discuss the convention of full disclosure, convention of materiality, Convention of conservatism and convention of consistency.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Understand            | CMBB02.01            |
| 4.                                                              | Define Account. Elaborate the meaning of personal account, real account and nominal account with suitable examples.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Remember              | CMBB02.02            |
| 5.                                                              | Examine the principles of personal account, real account and nominal account with suitable examples                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Understand            | CMBB02.02            |
| 6.                                                              | Examine the Class of Account to the following aspects:<br>i)Capital ii) Sales A/c iii) Sales Returns A/c iv) Purchase Returns A/c v) Wages A/c vi) Commission Received A/c vii) Bad Debts A/c<br>viii) Drawings ix) Buildings x) Goodwill xi) Salaries xii) Rent xiii) Machinery A/c xiv) Patents A/c xv) Rent received A/c                                                                                                                                                                                                                                                                                                                        | Understand            | CMBB02.02            |
| 7.                                                              | State Debit or Credit to the following aspects:<br>i)Purchases A/c ii) Sales A/c iii) Sales Returns A/c iv) Purchase Returns A/c v) Wages A/c vi) Commission Received A/c vii) Bad Debts A/c viii) Capital A/c ix) Drawings A/c                                                                                                                                                                                                                                                                                                                                                                                                                    | Remember              | CMBB02.02            |
| 8.                                                              | Write cash or credit or non-cash to the following transactions:<br>2000<br>Jan 1 <sup>st</sup> Business started with cash Rs.50,000<br>Jan 2 <sup>nd</sup> Cash paid into bank Rs.1,000<br>Jan 3 <sup>rd</sup> Goods sold to Mahender Rs.2,000<br>Jan 4 <sup>th</sup> Goods purchased from Vinay Rs.2,500<br>Jan 5 <sup>th</sup> Goods returned to Vinay Rs.1,000<br>Jan 10 <sup>th</sup> Goods returned by Mahender Rs.500<br>Jan 15 <sup>th</sup> Machinery purchased for Rs.10,000<br>Jan 21 <sup>st</sup> Furniture sold for Rs. 5,000<br>Jan 30 <sup>th</sup> Rent Paid for Rs.3,000<br>Jan 31 <sup>st</sup> Commission received for Rs.2,000 | Apply                 | CMBB02.02            |
| 9.                                                              | Examine the Class of Account to the following aspects:<br>i)Drawings A/c ii) Purchases A/c iii) Alpha hotel A/c iv) Rajesh                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Apply                 | CMBB02.02            |

| S. No                                  | QUESTION                                                                                                                                                                                                                                                                                                                                                                             | Blooms Taxonomy Level | Course Outcome (COs) |
|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------|
|                                        | A/c v) Salaries A/c vi) Rent received A/c vii) Bad Debts collected A/c viii) State bank of India A/c ix) Furniture A/c x) Copy rights A/c xi) Insurance A/c xii) Interest received A/c xiii) Trademarks A/c xiv) Carriage inwards A/c xv) Dividend received A/c                                                                                                                      |                       |                      |
| 10.                                    | Write Debit or Credit to the following aspects:<br>i) Drawings A/c ii) Purchases A/c iii) Alpha hotel A/c iv) Rajesh A/c v) Salaries A/c vi) Rent received A/c vii) Bad Debts collected A/c viii) State bank of India A/c ix) Furniture A/c x) Copy rights A/c xi) Insurance A/c xii) Interest received A/c xiii) Trademarks A/c xiv) Carriage inwards A/c xv) Dividend received A/c | Apply                 | CMBB02.02            |
| <b>UNIT-II</b>                         |                                                                                                                                                                                                                                                                                                                                                                                      |                       |                      |
| <b>PROCESS OF ACCOUNTING</b>           |                                                                                                                                                                                                                                                                                                                                                                                      |                       |                      |
| <b>PART-A (SHORT ANSWER QUESTIONS)</b> |                                                                                                                                                                                                                                                                                                                                                                                      |                       |                      |
| 1.                                     | Explain the meaning of the journal. List out the uses of different types of subsidiary journals.                                                                                                                                                                                                                                                                                     | Understand            | CMBB02.02            |
| 2.                                     | Discuss about the ledger. List out the advantages of ledger and different types of subsidiary journals.                                                                                                                                                                                                                                                                              | Analyze               | CMBB02.02            |
| 3.                                     | Describe about Trial Balance. List out the objectives, advantages and methods of trial balance.                                                                                                                                                                                                                                                                                      | Remember              | CMBB02.03            |
| 4.                                     | What is the meaning of trading account? State the proforma of trading account.                                                                                                                                                                                                                                                                                                       | Understand            | CMBB02.03            |
| 5.                                     | What do you know about profit and loss account? State the proforma of profit and loss account.                                                                                                                                                                                                                                                                                       | Understand            | CMBB02.03            |
| 6.                                     | What do you understand by balance sheet? State the proforma of balance sheet.                                                                                                                                                                                                                                                                                                        | Understand            | CMBB02.03            |
| 7.                                     | List out the advantages of trading account.                                                                                                                                                                                                                                                                                                                                          | Understand            | CMBB02.03            |
| 8.                                     | List out the significance of profit and loss account.                                                                                                                                                                                                                                                                                                                                | Remember              | CMBB02.03            |
| 9.                                     | List out the significance of Balance sheet.                                                                                                                                                                                                                                                                                                                                          | Remember              | CMBB02.03            |
| 10.                                    | Explain the meaning of depreciation. List out the need for charging depreciation on fixed assets.                                                                                                                                                                                                                                                                                    | Understand            | CMBB02.04            |
| 11.                                    | Examine the meaning of fixed installment method. List out the factors which are affected on depreciation.                                                                                                                                                                                                                                                                            | Analyze               | CMBB02.04            |
| 12.                                    | Write a short note on diminishing balance method.                                                                                                                                                                                                                                                                                                                                    | Understand            | CMBB02.04            |
| 13.                                    | List out the causes of depreciation, merits and demerits of fixed installment method.                                                                                                                                                                                                                                                                                                | Understand            | CMBB02.04            |
| 14.                                    | List out the different methods of depreciation and merits and demerits of diminishing balance method.                                                                                                                                                                                                                                                                                | Analyze               | CMBB02.04            |
| 15.                                    | Write a short note on fixed installment method                                                                                                                                                                                                                                                                                                                                       | Understand            | CMBB02.04            |
| 16.                                    | Write a short note on diminishing balance method                                                                                                                                                                                                                                                                                                                                     | Remember              | CMBB02.04            |
| 17.                                    | Explain the meaning of annual depreciation and factors which are influencing on annual depreciation.                                                                                                                                                                                                                                                                                 | Analyze               | CMBB02.04            |
| 18.                                    | Describe the formulae for charging annual depreciation on fixed asset.                                                                                                                                                                                                                                                                                                               | Remember              | CMBB02.04            |
| 19.                                    | Write the meaning of revenue expenditure and capital expenditure with suitable examples.                                                                                                                                                                                                                                                                                             | Analyze               | CMBB02.04            |
| 20.                                    | Write any four differences between revenue expenditure and capital expenditure.                                                                                                                                                                                                                                                                                                      | Analyze               | CMBB02.04            |

| S. No                                                           | QUESTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Blooms Taxonomy Level | Course Outcome (COs) |
|-----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------|
| <b>PART-B (LONG ANSWER QUESTIONS)</b>                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                       |                      |
| 1                                                               | Examine the meaning, definition, advantages and disadvantages of journal. Write different types of subsidiary journals.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Understand            | CMBB02.02            |
| 2                                                               | Discuss the meaning, advantages of ledger and uses of purchases, sales, purchase returns and sales returns journals.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Understand            | CMBB02.02            |
| 3                                                               | Examine the meaning, objectives, methods of preparing trial balance and significance of trial balance.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Understand            | CMBB02.03            |
| 4.                                                              | Define trading account. Describe the advantages of trading account.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Remember              | CMBB02.03            |
| 5.                                                              | Define profit and loss account. Explain the significance of profit and loss account.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Understand            | CMBB02.03            |
| 6.                                                              | Define Balance sheet. Discuss the significance of Balance sheet.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Understand            | CMBB02.03            |
| 7.                                                              | Discuss the meaning, accounting procedure of charging depreciation under straight line method, merits and demerits of fixed installment method.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Remember              | CMBB02.03            |
| 8.                                                              | Describe the meaning accounting procedure of charging depreciation, merits and demerits of diminishing balance method..                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Remember              | CMBB02.03            |
| 9.                                                              | Define depreciation. Examine the causes of deprecation and factors influencing on depreciation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Analyze               | CMBB02.03            |
| 10.                                                             | Write the meaning of capital and revenue expenditure. Distinguish between capital and revenue expenditure.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Analyze               | CMBB02.03            |
| <b>PART-C (PROBLEM SOLVING AND CRITICAL THINKING QUESTIONS)</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                       |                      |
| 1.                                                              | Write journal entries from the following transactions:<br>2000<br>Jan 1 <sup>st</sup> Business started with cash Rs.50,000<br>Jan 2 <sup>nd</sup> Cash paid into bank Rs.1,000<br>Jan 3 <sup>rd</sup> Goods sold to Mahender Rs.2,000<br>Jan 4 <sup>th</sup> Goods purchased from Vinay Rs.2,500<br>Jan 5 <sup>th</sup> Goods returned to Vinay Rs.1,000<br>Jan 10 <sup>th</sup> Goods returned by Mahender Rs.500<br>Jan 15 <sup>th</sup> Machinery purchased on cash Rs.10,000<br>Jan 21 <sup>st</sup> Furniture sold for cash Rs. 5,000<br>Jan 30 <sup>th</sup> Rent Paid for Rs.3,000<br>Jan 31 <sup>st</sup> Commission received for Rs.2,000                                                                                                                                                 | Apply                 | CMBB02.02            |
| 2.                                                              | Write Journal Entries in the books of Mr. Kiran from the following transactions:<br>2013,<br>May 1 <sup>st</sup> Business started with capital Rs.60,000<br>May 2 <sup>nd</sup> Insurance paid by cheque Rs.3,000<br>May 9 <sup>th</sup> Telephone Rent Paid in cash Rs.2,000<br>May 10 <sup>th</sup> Stationery Purchased for Rs.1,000<br>May 11 <sup>th</sup> Telegrams sent to New Delhi Rs.2,500<br>May 12 <sup>th</sup> Advertisement charges paid in cash Rs.5,000<br>May 13 <sup>th</sup> Machinery Purchased for Rs.90,000<br>May 14 <sup>th</sup> Furniture purchased for personal use Rs.30,000<br>May 13 <sup>th</sup> Depreciation charged on Machinery Rs.9,000<br>May 14 <sup>th</sup> Depreciation charged on Furniture Rs.3,000<br>May 16 <sup>th</sup> Rent received for Rs.6,000 | Understand            | CMBB02.02            |
| 3.                                                              | Write Journal Entries in the books of Mr. Siva Kumar from the following transactions.<br>2010,<br>Jan.1 <sup>st</sup> Business started with cash Rs.30,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Apply                 | CMBB02.02            |

| S. No | QUESTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Blooms Taxonomy Level | Course Outcome (COs) |
|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------|
|       | <p>Jan 2<sup>nd</sup> Cash deposited in the Bank Rs.5,000</p> <p>Jan 3<sup>rd</sup> Cash withdrawn from the Bank Rs.3,000 for Office use</p> <p>Jan 4<sup>th</sup> Cash Withdrawn from the bank for personal use Rs.1,000</p> <p>Jan 5<sup>th</sup> Goods purchased from Raja on credit For Rs.5,000</p> <p>Jan 6<sup>th</sup> Goods returned to Raja Rs.1,000</p> <p>Jan 7<sup>th</sup> Cash paid to Raja Rs.3,600</p> <p>Jan 8<sup>th</sup> Cash received from Kiran Rs.1,000</p> <p>Jan 10<sup>th</sup> Insurance paid for Rs.1,500</p> <p>Jan 15<sup>th</sup> Rent received for Rs.2,000</p>                                                                                                                                                                                                              |                       |                      |
| 4.    | <p>Prepare purchases book, purchases returns book in the books of Mr. Sukumar from the following transactions</p> <p>2008</p> <p>Jan.1<sup>st</sup> Goods purchased from Raju on credit Rs.10,000</p> <p>Jan 2<sup>nd</sup> Goods purchased from Ramu Rs.20,000</p> <p>Jan 3<sup>rd</sup> Goods returned to Raju Rs.1,000</p> <p>Jan 4<sup>th</sup> Goods returned to Ramu Rs.2,000</p> <p>Jan 5<sup>th</sup> Goods sold to Suresh on credit Rs.30,000</p> <p>Jan 6<sup>th</sup> Goods sold to Mahesh Rs.40,000</p> <p>Jan 7<sup>th</sup> Goods returned from Mahesh Rs.4,000</p> <p>Jan 8<sup>th</sup> Goods returned by Suresh Rs.3,000</p>                                                                                                                                                                 | Apply                 | CMBB02.02            |
| 5.    | <p>Prepare sales book, sales returns book in the books of Mr. Praveen kumar from the following transactions</p> <p>2008</p> <p>Jan.1<sup>st</sup> Goods sold to Ranga Raju on credit Rs.10,000 less 10% Trade Discount.</p> <p>Jan 2<sup>nd</sup> Goods sold to Venkat Rs.20,000</p> <p>Jan 3<sup>rd</sup> Goods returned from Ranga Raju Rs.1,000</p> <p>Jan 4<sup>th</sup> Goods returned from Venkat Rs.2,000</p> <p>Jan 5<sup>th</sup> Goods sold to Suresh on credit Rs.30,000</p> <p>Jan 6<sup>th</sup> Goods sold to Mahesh Rs.40,000</p> <p>Jan 7<sup>th</sup> Goods returned from Mahesh Rs.4,000</p> <p>Jan 8<sup>th</sup> Goods returned by Suresh Rs.3,000</p>                                                                                                                                    | Apply                 | CMBB02.02            |
| 6.    | <p>You are required to Show Trial balance as on 31.12.2009 under balances method from the following information:</p> <p>Capital Rs.6,000; Cash in hand Rs. 500; Bills Receivable Rs.4,550 ; Land &amp; Building Rs.6,000; Purchases Rs. 7,000; Sales Rs.8,000; Debtors Rs.3,300; Creditors Rs.600; Bills Payable Rs. 2,750; Bank Overdraft Rs.4,000.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Apply                 | CMBB02.03            |
| 7.    | <p>You are required to Show Trial balance as on 31.3.2002 under balances method from the following information</p> <p>Drawings Rs.4,000; Discount Allowed Rs. 1,500 ; Discount Received Rs. 500; Office Expenses Rs. 2,000; Manufacturing Expenses Rs. 1,200; Bills Payable Rs.17,000; Bills Receivable Rs.10,000; Cash in Hand Rs.4,800; Cash at Bank Rs.30,800; Office Rent Rs.3,600; Bharat Capital Rs.2,00,000; Machinery Rs. 60,000; Stock as on 1.4.2001 Rs. 32,000; Wages Rs.1,00,000; Carriage Inwards Rs.1,000; Salaries Rs.10,000;Factory Rent Rs. 4,800 ; Repairs Rs. 800; Fuel &amp;Power Rs. 5,000; Furniture Rs. 11,000; Buildings Rs.80,000; Sundry Debtors Rs.40,000; Sales Rs.4,07,200; Purchases Rs.2,44,000; Creditors Rs.25,000; Returns Inwards Rs.7,200; Returns Outwards Rs.4,000.</p> | Apply                 | CMBB02.03            |

| S. No   | QUESTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |     |                     |                      |  | Blooms Taxonomy Level | Course Outcome (COs) |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|---------------------|----------------------|--|-----------------------|----------------------|-----|---------------------|----------------------|----|--------------------|--|--------|--|----|----------|--|--|--------|----|-----------|--|--------|--|----|-------|--|--------|--|----|---------------|--|--------|--|----|------|--|--------|--|----|-------|--|--|----------|----|-----------|--|----------|--|----|-----------------|--|--------|--|-----|-----------------|--|----------|--|-----|----------|--|--------|--|-----|---------|--|--------|--------|-----|----------------------|--|--------|--|-----|------------------|--|--|--------|-----|---------|--|--|----------|-----|-----------|--|--------|--|-----|----------------|--|--------|--|-------|---------------|--|--|--------|--|-------|--|-----------|-----------|-------|-----------|
| 8.      | <p>From the following Trial Balance show Trading and Profit&amp; Loss Account for the year ending 31-12-2005 and Balance Sheet as on that date .</p> <table border="1" data-bbox="315 394 1068 1094"> <thead> <tr> <th>Sl. No.</th> <th>Heads of Accounts</th> <th>L.F</th> <th>Debit Balance (Rs.)</th> <th>Credit Balance (Rs.)</th> </tr> </thead> <tbody> <tr><td>1.</td><td>Office Electricity</td><td></td><td>14,000</td><td></td></tr> <tr><td>2.</td><td>Discount</td><td></td><td></td><td>22,000</td></tr> <tr><td>3.</td><td>Insurance</td><td></td><td>16,000</td><td></td></tr> <tr><td>4.</td><td>Wages</td><td></td><td>50,000</td><td></td></tr> <tr><td>5.</td><td>Opening Stock</td><td></td><td>20,000</td><td></td></tr> <tr><td>6.</td><td>Rent</td><td></td><td>24,000</td><td></td></tr> <tr><td>7.</td><td>Sales</td><td></td><td></td><td>8,00,000</td></tr> <tr><td>8.</td><td>Purchases</td><td></td><td>3,00,000</td><td></td></tr> <tr><td>9.</td><td>Office Expenses</td><td></td><td>30,000</td><td></td></tr> <tr><td>10.</td><td>Land &amp; Building</td><td></td><td>5,40,000</td><td></td></tr> <tr><td>11.</td><td>Salaries</td><td></td><td>90,000</td><td></td></tr> <tr><td>12.</td><td>Returns</td><td></td><td>20,000</td><td>10,000</td></tr> <tr><td>13.</td><td>Power, Gas and Water</td><td></td><td>30,000</td><td></td></tr> <tr><td>14.</td><td>Sundry Creditors</td><td></td><td></td><td>60,000</td></tr> <tr><td>15.</td><td>Capital</td><td></td><td></td><td>3,02,000</td></tr> <tr><td>16.</td><td>Furniture</td><td></td><td>15,000</td><td></td></tr> <tr><td>17.</td><td>Sundry Debtors</td><td></td><td>60,000</td><td></td></tr> <tr><td>18.</td><td>Bills Payable</td><td></td><td></td><td>15,000</td></tr> <tr><td></td><td>TOTAL</td><td></td><td>12,09,000</td><td>12,09,000</td></tr> </tbody> </table> <p>Adjustment: (1) Closing Stock Rs.25,000 (2) Prepaid Insurance Rs. 6,000</p> |     |                     |                      |  | Sl. No.               | Heads of Accounts    | L.F | Debit Balance (Rs.) | Credit Balance (Rs.) | 1. | Office Electricity |  | 14,000 |  | 2. | Discount |  |  | 22,000 | 3. | Insurance |  | 16,000 |  | 4. | Wages |  | 50,000 |  | 5. | Opening Stock |  | 20,000 |  | 6. | Rent |  | 24,000 |  | 7. | Sales |  |  | 8,00,000 | 8. | Purchases |  | 3,00,000 |  | 9. | Office Expenses |  | 30,000 |  | 10. | Land & Building |  | 5,40,000 |  | 11. | Salaries |  | 90,000 |  | 12. | Returns |  | 20,000 | 10,000 | 13. | Power, Gas and Water |  | 30,000 |  | 14. | Sundry Creditors |  |  | 60,000 | 15. | Capital |  |  | 3,02,000 | 16. | Furniture |  | 15,000 |  | 17. | Sundry Debtors |  | 60,000 |  | 18.   | Bills Payable |  |  | 15,000 |  | TOTAL |  | 12,09,000 | 12,09,000 | Apply | CMBB02.03 |
| Sl. No. | Heads of Accounts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | L.F | Debit Balance (Rs.) | Credit Balance (Rs.) |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 1.      | Office Electricity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |     | 14,000              |                      |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 2.      | Discount                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |     |                     | 22,000               |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 3.      | Insurance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |     | 16,000              |                      |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 4.      | Wages                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |     | 50,000              |                      |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 5.      | Opening Stock                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |     | 20,000              |                      |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 6.      | Rent                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |     | 24,000              |                      |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 7.      | Sales                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |     |                     | 8,00,000             |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 8.      | Purchases                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |     | 3,00,000            |                      |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 9.      | Office Expenses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |     | 30,000              |                      |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 10.     | Land & Building                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |     | 5,40,000            |                      |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 11.     | Salaries                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |     | 90,000              |                      |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 12.     | Returns                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |     | 20,000              | 10,000               |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 13.     | Power, Gas and Water                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |     | 30,000              |                      |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 14.     | Sundry Creditors                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |     |                     | 60,000               |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 15.     | Capital                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |     |                     | 3,02,000             |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 16.     | Furniture                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |     | 15,000              |                      |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 17.     | Sundry Debtors                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |     | 60,000              |                      |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 18.     | Bills Payable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |     |                     | 15,000               |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
|         | TOTAL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |     | 12,09,000           | 12,09,000            |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 9.      | <p>From the following Trial Balance and Adjustments, show Trading and Profit&amp; Loss Account for the year ending 31-12-2003 and Balance Sheet as on that date in the books of Mr. Vijay.</p> <table border="1" data-bbox="315 1262 1068 1896"> <thead> <tr> <th>Sl. No.</th> <th>Heads of Accounts</th> <th>L.F</th> <th>Debit Balance (Rs.)</th> <th>Credit Balance (Rs.)</th> </tr> </thead> <tbody> <tr><td>1.</td><td>Drawings</td><td></td><td>14,000</td><td></td></tr> <tr><td>2.</td><td>Discount</td><td></td><td></td><td>13,000</td></tr> <tr><td>3.</td><td>Interest</td><td></td><td>16,000</td><td></td></tr> <tr><td>4.</td><td>Wages</td><td></td><td>50,000</td><td></td></tr> <tr><td>5.</td><td>Opening Stock</td><td></td><td>20,000</td><td></td></tr> <tr><td>6.</td><td>Rent</td><td></td><td>24,000</td><td></td></tr> <tr><td>7.</td><td>Sales</td><td></td><td></td><td>8,00,000</td></tr> <tr><td>8.</td><td>Purchases</td><td></td><td>3,00,000</td><td></td></tr> <tr><td>9.</td><td>Office Expenses</td><td></td><td>30,000</td><td></td></tr> <tr><td>10.</td><td>Land &amp; Building</td><td></td><td>5,40,000</td><td></td></tr> <tr><td>11.</td><td>Salaries</td><td></td><td>90,000</td><td></td></tr> <tr><td>12.</td><td>Returns</td><td></td><td>20,000</td><td>10,000</td></tr> <tr><td>13.</td><td>Power, Gas and Water</td><td></td><td>30,000</td><td></td></tr> <tr><td>14.</td><td>Sundry Creditors</td><td></td><td></td><td>60,000</td></tr> <tr><td>15.</td><td>Capital</td><td></td><td></td><td>3,02,000</td></tr> <tr><td>16.</td><td>Furniture</td><td></td><td>15,000</td><td></td></tr> <tr><td>17.</td><td>Sundry Debtors</td><td></td><td>51,000</td><td></td></tr> </tbody> </table>                                                                                                                                                                                                           |     |                     |                      |  | Sl. No.               | Heads of Accounts    | L.F | Debit Balance (Rs.) | Credit Balance (Rs.) | 1. | Drawings           |  | 14,000 |  | 2. | Discount |  |  | 13,000 | 3. | Interest  |  | 16,000 |  | 4. | Wages |  | 50,000 |  | 5. | Opening Stock |  | 20,000 |  | 6. | Rent |  | 24,000 |  | 7. | Sales |  |  | 8,00,000 | 8. | Purchases |  | 3,00,000 |  | 9. | Office Expenses |  | 30,000 |  | 10. | Land & Building |  | 5,40,000 |  | 11. | Salaries |  | 90,000 |  | 12. | Returns |  | 20,000 | 10,000 | 13. | Power, Gas and Water |  | 30,000 |  | 14. | Sundry Creditors |  |  | 60,000 | 15. | Capital |  |  | 3,02,000 | 16. | Furniture |  | 15,000 |  | 17. | Sundry Debtors |  | 51,000 |  | Apply | CMBB02.03     |  |  |        |  |       |  |           |           |       |           |
| Sl. No. | Heads of Accounts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | L.F | Debit Balance (Rs.) | Credit Balance (Rs.) |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 1.      | Drawings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |     | 14,000              |                      |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 2.      | Discount                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |     |                     | 13,000               |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 3.      | Interest                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |     | 16,000              |                      |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 4.      | Wages                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |     | 50,000              |                      |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 5.      | Opening Stock                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |     | 20,000              |                      |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 6.      | Rent                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |     | 24,000              |                      |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 7.      | Sales                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |     |                     | 8,00,000             |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 8.      | Purchases                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |     | 3,00,000            |                      |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 9.      | Office Expenses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |     | 30,000              |                      |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 10.     | Land & Building                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |     | 5,40,000            |                      |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 11.     | Salaries                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |     | 90,000              |                      |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 12.     | Returns                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |     | 20,000              | 10,000               |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 13.     | Power, Gas and Water                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |     | 30,000              |                      |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 14.     | Sundry Creditors                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |     |                     | 60,000               |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 15.     | Capital                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |     |                     | 3,02,000             |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 16.     | Furniture                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |     | 15,000              |                      |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |
| 17.     | Sundry Debtors                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |     | 51,000              |                      |  |                       |                      |     |                     |                      |    |                    |  |        |  |    |          |  |  |        |    |           |  |        |  |    |       |  |        |  |    |               |  |        |  |    |      |  |        |  |    |       |  |  |          |    |           |  |          |  |    |                 |  |        |  |     |                 |  |          |  |     |          |  |        |  |     |         |  |        |        |     |                      |  |        |  |     |                  |  |  |        |     |         |  |  |          |     |           |  |        |  |     |                |  |        |  |       |               |  |  |        |  |       |  |           |           |       |           |

| S. No                                 | QUESTION                                                                                                                                                                                                                                                                                                                                                  |               |  |           |           | Blooms Taxonomy Level | Course Outcome (COs) |
|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|--|-----------|-----------|-----------------------|----------------------|
|                                       | 18.                                                                                                                                                                                                                                                                                                                                                       | Bills Payable |  |           | 15,000    |                       |                      |
|                                       |                                                                                                                                                                                                                                                                                                                                                           | TOTAL         |  | 12,00,000 | 12,00,000 |                       |                      |
|                                       | <b>Adjustments:</b><br>1. Closing Stock Rs.80,000.<br>2. Outstanding Salaries Rs.10,000.<br>3. Depreciate Buildings by 10% p.a.                                                                                                                                                                                                                           |               |  |           |           |                       |                      |
| 8.                                    | A Machine was purchased for Rs.50,000 on 1-1-2012 and it was sold on 31-12-2014 for Rs.40,000. Depreciation was charged @10% p.a. under Diminishing Balance Method. Prepare machinery A/c and depreciation A/c for upto the date of sale. Calculate profit or loss on the sale of the machine.                                                            |               |  |           |           | Apply                 | CMBB02.04            |
| 9.                                    | A Machine was purchased for Rs.25,000 on 1-1-2010 and installation charges paid on it for Rs.5,000 on the same date. It was sold for 15,000 on 31-12-2012. Depreciation was charged @10% p.a. under fixed installment Method. Prepare machinery A/c and depreciation A/c for up to the date of sale. Calculate profit or loss on the sale of the machine. |               |  |           |           | Remember              | CMBB02.04            |
| 10.                                   | A machine was purchased for Rs.60,000 on 1-1-2012 and another machinery purchased on 1-1-2013 for Rs.20,000. Depreciation was charged @10% p.a. under diminishing balance method. Prepare Machinery A/c for the first 3 years.                                                                                                                            |               |  |           |           | Understand            | CMBB02.04            |
| <b>UNIT-III</b>                       |                                                                                                                                                                                                                                                                                                                                                           |               |  |           |           |                       |                      |
| <b>INVENTORY VALUATION</b>            |                                                                                                                                                                                                                                                                                                                                                           |               |  |           |           |                       |                      |
| <b>PART-A(SHORT ANSWER QUESTIONS)</b> |                                                                                                                                                                                                                                                                                                                                                           |               |  |           |           |                       |                      |
| 1.                                    | List out the meaning and demerits of FIFO Method.                                                                                                                                                                                                                                                                                                         |               |  |           |           | Remember              | CMBB02.05            |
| 2.                                    | List out the meaning and demerits of LIFO Method.                                                                                                                                                                                                                                                                                                         |               |  |           |           | Remember              | CMBB02.05            |
| 3.                                    | Write the meaning and merits of simple average method.                                                                                                                                                                                                                                                                                                    |               |  |           |           | Understand            | CMBB02.05            |
| 4.                                    | State the meaning and demerits of weighted average method.                                                                                                                                                                                                                                                                                                |               |  |           |           | Remember              | CMBB02.05            |
| 5.                                    | State the demerits of weighted average method.                                                                                                                                                                                                                                                                                                            |               |  |           |           | Remember              | CMBB02.05            |
| 6.                                    | Critically examine the advantages of FIFO Method.                                                                                                                                                                                                                                                                                                         |               |  |           |           | Understand            | CMBB02.05            |
| 7.                                    | Describe the merits of LIFO Method.                                                                                                                                                                                                                                                                                                                       |               |  |           |           | Understand            | CMBB02.05            |
| 8.                                    | Explain the demerits of simple average method.                                                                                                                                                                                                                                                                                                            |               |  |           |           | Understand            | CMBB02.05            |
| 9.                                    | State the merits of weighted average method.                                                                                                                                                                                                                                                                                                              |               |  |           |           | Remember              | CMBB02.05            |
| 10.                                   | List out the methods of inventory valuation.                                                                                                                                                                                                                                                                                                              |               |  |           |           | Analyze               | CMBB02.05            |
| 1.                                    | Write a short note on convertible Preference shares.                                                                                                                                                                                                                                                                                                      |               |  |           |           | Understand            | CMBB02.06            |
| 2.                                    | Write any three differences between preference shares and equity shares.                                                                                                                                                                                                                                                                                  |               |  |           |           | Analyze               | CMBB02.06            |
| 3.                                    | Write any three differences between shareholders and debenture holders.                                                                                                                                                                                                                                                                                   |               |  |           |           | Analyze               | CMBB02.06            |
| 4.                                    | Write any three differences between shares and stock.                                                                                                                                                                                                                                                                                                     |               |  |           |           | Analyze               | CMBB02.06            |
| 5.                                    | Write a short note on cumulative preference shares.                                                                                                                                                                                                                                                                                                       |               |  |           |           | Understand            | CMBB02.06            |
| 6.                                    | Discuss any three types of preference shares.                                                                                                                                                                                                                                                                                                             |               |  |           |           | Remember              | CMBB02.06            |
| 7.                                    | Write a short note on equity shares.                                                                                                                                                                                                                                                                                                                      |               |  |           |           | Remember              | CMBB02.06            |
| 8.                                    | Write a short note on preference shares.                                                                                                                                                                                                                                                                                                                  |               |  |           |           | Remember              | CMBB02.06            |



| S. No                                                           | QUESTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Blooms Taxonomy Level | Course Outcome (COs) |
|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------|
| 9.                                                              | Write a short note on differed shares.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Understand            | CMBB02.06            |
| 10.                                                             | Examine any three types of debentures.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Analyze               | CMBB02.06            |
| 11.                                                             | List out the features debentures.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Understand            | CMBB02.06            |
| <b>PART-B(LONG ANSWER QUESTIONS)</b>                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                       |                      |
| 1.                                                              | State the meaning and advantages of first in first out method.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Remember              | CMBB02.05            |
| 2.                                                              | Define first in first out method. Discuss the disadvantages of first in first out method.                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Remember              | CMBB02.05            |
| 3.                                                              | Describe the meaning and advantages of last in first out method.                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Understand            | CMBB02.05            |
| 4.                                                              | Examine the limitations of last in first out method.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Understand            | CMBB02.05            |
| 5.                                                              | Explain the meaning and advantages of simple average method.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Remember              | CMBB02.05            |
| 6.                                                              | Define simple average method. Examine the limitations of simple average method.                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Understand            | CMBB02.05            |
| 7.                                                              | Explain the meaning, advantages and disadvantages of weighted average method.                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Remember              | CMBB02.05            |
| 8.                                                              | Define weighted average method. Examine the limitations of weighted average method.                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Understand            | CMBB02.05            |
| 9.                                                              | Define inventory valuation. Demonstrate the objectives of inventory valuation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Understand            | CMBB02.05            |
| <b>PART-C (PROBLEM SOLVING AND CRITICAL THINKING QUESTIONS)</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                       |                      |
| 1.                                                              | Distinguish between equity shareholders and preference                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Understand            | CMBB02.06            |
| 2.                                                              | Define equity shares and preference shares. Explain different types of Preference shares.                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Understand            | CMBB02.06            |
| 3.                                                              | What do you understand about stock and shares? Distinguish between stock and shares.                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Analyze               | CMBB02.06            |
| 4.                                                              | What do you understand by shares and debentures? Differentiate between share holders and debenture holders.                                                                                                                                                                                                                                                                                                                                                                                                                                    | Analyze               | CMBB02.06            |
| 5.                                                              | Define debenture. Discuss the features and different types of debentures.                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Understand            | CMBB02.06            |
| 6.                                                              | Define debenture. Explain the merits and demerits of debentures.                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Understand            | CMBB02.06            |
| <b>PART-C (PROBLEM SOLVING AND CRITICAL THINKING QUESTIONS)</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                       |                      |
| 1.                                                              | The following transactions occur in the purchase and issue of a material: 2010<br>Jan 1 <sup>st</sup> Purchased 4,000 units @ Rs.4.40 per unit<br>Jan 20 <sup>th</sup> Purchased 500 units @ Rs.5.00 per unit<br>Feb 5 <sup>th</sup> Issued 2,000 units<br>Feb 10 <sup>th</sup> Purchased 6,000 units @ Rs.6.00 per unit<br>Feb 12 <sup>th</sup> Issued 4,000 units<br>March 15 <sup>th</sup> Purchased 4,500 units @ Rs.5.50 per unit<br>March 20 <sup>th</sup> Issued 3,000 units.<br>Prepare stores ledger under FIFO Method from the above | Apply                 | CMBB02.05            |
| 2.                                                              | Prepare stores ledger under simple average method from the following information.<br>2010                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Apply                 | CMBB02.05            |

| S. No | QUESTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Blooms Taxonomy Level | Course Outcome (COs) |
|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------|
|       | March 1 <sup>st</sup> Opening stock 1,000 units @Rs.6.00 per unit<br>March 3 <sup>rd</sup> Purchased 6,000 units @ Rs.5.50 per unit<br>March 10 <sup>th</sup> Purchased 2,000 units @ Rs.6.50 per unit<br>March 15 <sup>th</sup> Issued 3,000 units<br>March 20 <sup>th</sup> Purchased 8,000 units @ Rs.8.00 per unit<br>March 22 <sup>nd</sup> Issued 5,000 units<br>March 25 <sup>th</sup> Purchased 4,000 units @ Rs.7.50 per unit<br>March 30 <sup>th</sup> Issued 4,000 units.                                                                                                   |                       |                      |
| 3.    | Prepare stores ledger under weighted average method from the following information.<br><br>2012<br>May 1 <sup>st</sup> Opening stock 2,000 units @Rs.6.00 per unit<br>May 3 <sup>rd</sup> Purchased 6,000 units @ Rs.5.50 per unit<br>May 10 <sup>th</sup> Purchased 4,000 units @ Rs.6.50 per unit<br>June 15 <sup>th</sup> Issued 5,000 units<br>June 20 <sup>th</sup> Purchased 8,000 units @ Rs.8.00 per unit<br>June 22 <sup>nd</sup> Issued 6,000 units<br>June 25 <sup>th</sup> Purchased 4,000 units @ Rs.7.50 per unit<br>June 30 <sup>th</sup> Issued 3,000 units.           | Apply                 | CMBB02.05            |
| 4.    | The following transactions occur in the purchase and issue of a material: 2010<br>June 1 <sup>st</sup> Purchased 2,000 units @ Rs.5.00 per unit<br>June 20 <sup>th</sup> Purchased 1500 units @ Rs.6.00 per unit<br>June 5 <sup>th</sup> Issued 2,500 units<br>June 10 <sup>th</sup> Purchased 3,000 units @ Rs.7.00 per unit<br>June 12 <sup>th</sup> Issued 2,000 units<br>June 15 <sup>th</sup> Purchased 4,500 units @ Rs.8.50 per unit<br>June 20 <sup>th</sup> Issued 3,000 units.<br>Prepare stores ledger under LIFO method from the above                                     | Apply                 | CMBB02.05            |
| 5.    | The following transactions occur in the purchase and issue of a material: 2010<br>September 1 <sup>st</sup> Purchased 4,000 units @ Rs.4.00 per unit<br>September 10 <sup>th</sup> Purchased 3500 units @ Rs.5.00 per unit<br>September 15 <sup>th</sup> Issued 4,500 units<br>September 20 <sup>th</sup> Purchased 5,000 units @ Rs.6.00 per unit<br>September 22 <sup>th</sup> Issued 4,000 units<br>September 25 <sup>th</sup> Purchased 6,500 units @ Rs.5.00 per unit<br>September 30 <sup>th</sup> Issued 5,000 units.<br>Prepare stores ledger under LIFO Method from the above | Apply                 | CMBB02.05            |

| S. No | QUESTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Blooms Taxonomy Level | Course Outcome (COs) |
|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------|
| 1.    | X Limited company invited applications of 10,000 shares of Rs.100 each at a discount of 5 per cent payable as follows:<br>on application Rs.25<br>on allotment Rs.35<br>on First and Final Call Rs.35<br>The applications received for 9,000 shares and all of these shares were accepted. All moneys due were received except the First and                                                                                                                                                      | Apply                 | CMBB02.06            |
| 2.    | Fairdealers Ltd issued 10,000 Equity shares of Rs.10 each.<br>The payment of share was given as follows:<br>On Application Rs.2, Allotment Rs.2, First call Rs.3 and Final call                                                                                                                                                                                                                                                                                                                   | Apply                 | CMBB02.06            |
| 3.    | XYZ Limited company invited applications of 10,000 shares of Rs.100 each at a discount of 5 per cent payable as follows:<br>On application Rs.20<br>On allotment Rs.40<br>On First and Final Call Rs.35<br>The applications received for 9,000 shares and all of these shares were accepted. All moneys due were received except the First and                                                                                                                                                    | Apply                 | CMBB02.06            |
| 4.    | ABC Pvt. Company Ltd. issued 20,000 Equity shares of Rs.50 each.<br>The payment of share was given as follows:<br>On Application Rs.20, Allotment Rs.20, First call Rs.30 and Final call Rs.30 each. All the shares taken by the public and the money duly received on all shares.<br>Show journal entries in the books of ABC Pvt.Ltd.                                                                                                                                                           | Apply                 | CMBB02.06            |
| 5.    | PQR Pvt. Company Ltd. issued 5000 Equity shares of Rs.100 each.<br>The payment of share was given as follows:<br>On Application Rs.30, Allotment Rs.40, First call Rs.15 and Final call Rs.15 each. All the shares taken by the public and the money duly received on the shares except 1000 shares at the time of first and final call. 1000 shares were forfeited by the company. 1000 Forfeited shares were reissued by the company at Rs.90.<br>Show journal entries in the books of PQR Ltd. | Apply                 | CMBB02.06            |
| 6.    | Ram & Co Pvt. Company Ltd. invited applications of 50,000 shares of Rs.100 each at a discount of 5 per cent payable as follows:<br>on application Rs.35<br>on allotment Rs.25<br>on First and Final Call Rs.35<br>All of these shares were accepted. All moneys due were received except the First and Final call on 500 shares. Write journal entries in the books of Ram & Co Pvt. Company Ltd.                                                                                                 | Apply                 | CMBB02.06            |
| 7.    | ABC Ltd company issued 10,000 Equity shares of Rs.50 each.<br>The payment of share was given as follows:<br>On Application Rs.20, Allotment Rs.20, First call Rs.5 and Final call Rs.5 each. All the shares taken by the public and the money duly                                                                                                                                                                                                                                                | Apply                 | CMBB02.06            |

| S. No | QUESTION                                                                                                                                                                                                                                                                                                                           | Blooms Taxonomy Level | Course Outcome (COs) |
|-------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------|
|       | received on the shares except 1000 shares at the time of first and final call. 1000 shares were forfeited by the company. 1000 Forfeited shares were reissued by the company at Rs.90.<br>Show journal entries in the books of ABC Ltd.                                                                                            |                       |                      |
| 8.    | XYZ Ltd company issued 5,000 Equity shares of Rs.25 each.<br>The payment of share was given as follows:<br>On Application Rs.10, Allotment Rs.5, First call Rs.5 and Final call Rs.5 each. All the shares taken by the public and the money duly received on all shares.<br>Show journal entries in the books of XYZ Ltd.          | Apply                 | CMBB02.06            |
| 9.    | MN Pvt.Ltd company issued 20,000 Equity shares of Rs.50 each.<br>The payment of share was given as follows:<br>On Application Rs.15, Allotment Rs.15, First call Rs.10 and Final call Rs.10 each. All the shares taken by the public and the money duly received on all shares.<br>Show journal entries in the books of MN Ltd.    | Apply                 | CMBB02.06            |
| 10.   | Raj & Co Pvt. company Ltd.issued 15,000 Equity shares of Rs.100 each.<br>The payment of share was given as follows:<br>On Application Rs.20, Allotment Rs.20, First call Rs.30 and Final call Rs.30 each. All the shares taken by the public and the money duly received on the shares except 5000 shares at the time of first and | Apply                 | CMBB02.06            |

#### UNIT-IV

#### FINANCIAL ANALYSIS-I

#### PART-A (SHORT ANSWER QUESTIONS)

|     |                                                         |            |           |
|-----|---------------------------------------------------------|------------|-----------|
| 1.  | List out the components of working capital.             | Remember   | CMBB02.08 |
| 2.  | Predict the factors influencing on working capital.     | Analyze    | CMBB02.08 |
| 3.  | Discuss different types of working capital.             | Understand | CMBB02.08 |
| 4.  | List out the requirements of working capital.           | Remember   | CMBB02.08 |
| 5.  | List out the components of current assets.              | Analyze    | CMBB02.08 |
| 6.  | List out the components of current liabilities.         | Analyze    | CMBB02.08 |
| 7.  | List out the advantages of funds flow statement.        | Understand | CMBB02.09 |
| 8.  | List out the demerits of cash flow statement.           | Remember   | CMBB02.09 |
| 9.  | List out the components of sources of funds.            | Remember   | CMBB02.09 |
| 10. | State the components of application of funds.           | Understand | CMBB02.09 |
| 11. | State the meaning of funds flow statement.              | Understand | CMBB02.09 |
| 12. | List out the limitations of funds flow statement.       | Remember   | CMBB02.09 |
| 13. | State the advantages of cash flow statement.            | Remember   | CMBB02.09 |
| 14. | Briefly explain the meaning of cash flow Statement.     | Understand | CMBB02.09 |
| 15. | Discuss the meaning of funds flow statement.            | Understand | CMBB02.09 |
| 16. | List out the components of cash inflows                 | Remember   | CMBB02.09 |
| 17. | Explain any two advantages of funds flow statement.     | Remember   | CMBB02.09 |
| 18. | State any two limitations of funds flow statement.      | Understand | CMBB02.09 |
| 19. | State any two advantages of cash flow statement.        | Remember   | CMBB02.09 |
| 20. | Prepare a specimen of adjusted profit and loss account. | Understand | CMBB02.09 |

| S. No                                                           | QUESTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Blooms Taxonomy Level | Course Outcome (COs) |                   |       |          |          |      |        |        |         |          |          |           |          |          |                      |       |       |       |           |
|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------|-------------------|-------|----------|----------|------|--------|--------|---------|----------|----------|-----------|----------|----------|----------------------|-------|-------|-------|-----------|
| <b>PART-B (LONG ANSWER QUESTIONS)</b>                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                       |                      |                   |       |          |          |      |        |        |         |          |          |           |          |          |                      |       |       |       |           |
| 1.                                                              | Explain different types of working capital.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Understand            | CMBB02.08            |                   |       |          |          |      |        |        |         |          |          |           |          |          |                      |       |       |       |           |
| 2.                                                              | Define working capital. Elucidate the importance of working                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Understand            | CMBB02.08            |                   |       |          |          |      |        |        |         |          |          |           |          |          |                      |       |       |       |           |
| 3.                                                              | Examine the factors which are influenced on working capital requirement.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Analyze               | CMBB02.08            |                   |       |          |          |      |        |        |         |          |          |           |          |          |                      |       |       |       |           |
| 4.                                                              | Define Funds flow statement. Explain its significance and limitations of funds flow statement.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Remember              | CMBB02.09            |                   |       |          |          |      |        |        |         |          |          |           |          |          |                      |       |       |       |           |
| 5.                                                              | Define cash flow statement. Discuss the importance and limitations of cash flow statement.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Understand            | CMBB02.09            |                   |       |          |          |      |        |        |         |          |          |           |          |          |                      |       |       |       |           |
| 6.                                                              | Distinguish between cash flow statement and funds flow                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Remember              | CMBB02.09            |                   |       |          |          |      |        |        |         |          |          |           |          |          |                      |       |       |       |           |
| 7.                                                              | Distinguish between funds flow statement and balance sheet.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Remember              | CMBB02.09            |                   |       |          |          |      |        |        |         |          |          |           |          |          |                      |       |       |       |           |
| 8.                                                              | Distinguish between funds flow statement and income statement.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Understand            | CMBB02.09            |                   |       |          |          |      |        |        |         |          |          |           |          |          |                      |       |       |       |           |
| 9.                                                              | Prepare a specimen of funds flow statement.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Understand            | CMBB02.09            |                   |       |          |          |      |        |        |         |          |          |           |          |          |                      |       |       |       |           |
| 10.                                                             | Write the specimen of cash flow statement.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Remember              | CMBB02.09            |                   |       |          |          |      |        |        |         |          |          |           |          |          |                      |       |       |       |           |
| 11.                                                             | Write the specimen of statement showing changes in working                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Remember              | CMBB02.09            |                   |       |          |          |      |        |        |         |          |          |           |          |          |                      |       |       |       |           |
| 12.                                                             | Describe the components of working capital.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Analyze               | CMBB02.09            |                   |       |          |          |      |        |        |         |          |          |           |          |          |                      |       |       |       |           |
| 13.                                                             | Enumerate the components of sources of funds in detail.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Analyze               | CMBB02.09            |                   |       |          |          |      |        |        |         |          |          |           |          |          |                      |       |       |       |           |
| 14.                                                             | Examine the components of application of funds in detail.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Analyze               | CMBB02.09            |                   |       |          |          |      |        |        |         |          |          |           |          |          |                      |       |       |       |           |
| 15.                                                             | Describe the components of application of cash in detail.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Analyze               | CMBB02.09            |                   |       |          |          |      |        |        |         |          |          |           |          |          |                      |       |       |       |           |
| 16.                                                             | Discuss the components of sources of cash in detail.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Analyze               | CMBB02.09            |                   |       |          |          |      |        |        |         |          |          |           |          |          |                      |       |       |       |           |
| <b>PART-C (PROBLEM SOLVING AND CRITICAL THINKING QUESTIONS)</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                       |                      |                   |       |          |          |      |        |        |         |          |          |           |          |          |                      |       |       |       |           |
| 1.                                                              | <p><b>Prepare</b> a statement showing changes in working capital statement from the following information:</p> <table style="margin-left: 40px;"> <thead> <tr> <th></th> <th style="text-align: right;"><b>2001(Rs.)</b></th> <th style="text-align: right;"><b>2000 (Rs.)</b></th> </tr> </thead> <tbody> <tr> <td>Stock</td> <td style="text-align: right;">3,50,000</td> <td style="text-align: right;">3,00,000</td> </tr> <tr> <td>Bank</td> <td style="text-align: right;">80,000</td> <td style="text-align: right;">40,000</td> </tr> <tr> <td>Debtors</td> <td style="text-align: right;">2,54,000</td> <td style="text-align: right;">1,62,000</td> </tr> <tr> <td>Creditors</td> <td style="text-align: right;">1,80,000</td> <td style="text-align: right;">2,30,000</td> </tr> <tr> <td>Outstanding Expenses</td> <td style="text-align: right;">3,000</td> <td style="text-align: right;">6,000</td> </tr> </tbody> </table> |                       | <b>2001(Rs.)</b>     | <b>2000 (Rs.)</b> | Stock | 3,50,000 | 3,00,000 | Bank | 80,000 | 40,000 | Debtors | 2,54,000 | 1,62,000 | Creditors | 1,80,000 | 2,30,000 | Outstanding Expenses | 3,000 | 6,000 | Apply | CMBB02.09 |
|                                                                 | <b>2001(Rs.)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>2000 (Rs.)</b>     |                      |                   |       |          |          |      |        |        |         |          |          |           |          |          |                      |       |       |       |           |
| Stock                                                           | 3,50,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 3,00,000              |                      |                   |       |          |          |      |        |        |         |          |          |           |          |          |                      |       |       |       |           |
| Bank                                                            | 80,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 40,000                |                      |                   |       |          |          |      |        |        |         |          |          |           |          |          |                      |       |       |       |           |
| Debtors                                                         | 2,54,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 1,62,000              |                      |                   |       |          |          |      |        |        |         |          |          |           |          |          |                      |       |       |       |           |
| Creditors                                                       | 1,80,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2,30,000              |                      |                   |       |          |          |      |        |        |         |          |          |           |          |          |                      |       |       |       |           |
| Outstanding Expenses                                            | 3,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 6,000                 |                      |                   |       |          |          |      |        |        |         |          |          |           |          |          |                      |       |       |       |           |

| S. No             | QUESTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Blooms Taxonomy Level | Course Outcome (COs) |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------|--|------------------|--|--|-------|----------|--|-----------|--|--|------|----------|----|----------|--|--|---------|-----------|--|----------|--|--|-----------|-----------|--|----------|-----------|--|---------------|--------|--|--------|--|--|-------------------|--------|--|--------|--|--|-------|-----------|
| 2.                | <p><b>Prepare</b> a statement showing changes in working capital statement from the following information:</p> <table border="0" style="width: 100%;"> <tr> <td></td> <td style="text-align: center;"><b>2010 (Rs.)</b></td> <td></td> </tr> <tr> <td><b>2011(Rs.)</b></td> <td></td> <td></td> </tr> <tr> <td>Stock</td> <td style="text-align: right;">6,00,000</td> <td></td> </tr> <tr> <td>9,50,000</td> <td></td> <td></td> </tr> <tr> <td>Bank</td> <td style="text-align: right;">1,00,000</td> <td style="text-align: right;">1,</td> </tr> <tr> <td>80,000</td> <td></td> <td></td> </tr> <tr> <td>Debtors</td> <td style="text-align: right;">2,00,000</td> <td></td> </tr> <tr> <td>3,00,000</td> <td></td> <td></td> </tr> <tr> <td>Creditors</td> <td style="text-align: right;">2,00,000</td> <td></td> </tr> </table>                                                                                                                                                                                                                                                                                                                                   |                       | <b>2010 (Rs.)</b>    |  | <b>2011(Rs.)</b> |  |  | Stock | 6,00,000 |  | 9,50,000  |  |  | Bank | 1,00,000 | 1, | 80,000   |  |  | Debtors | 2,00,000  |  | 3,00,000 |  |  | Creditors | 2,00,000  |  | Apply    | CMBB02.09 |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
|                   | <b>2010 (Rs.)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| <b>2011(Rs.)</b>  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| Stock             | 6,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| 9,50,000          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| Bank              | 1,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 1,                    |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| 80,000            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| Debtors           | 2,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| 3,00,000          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| Creditors         | 2,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
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|                   | <b>2013 (Rs.)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| <b>2014(Rs.)</b>  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| Stock             | 8,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| 10,50,000         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| Bank              | 3,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 6,                    |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| 80,000            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| Debtors           | 4,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| 5,00,000          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| Creditors         | 3,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| 2,90,000          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| Bills Payable     | 50,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| 80,000            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| Provision for Tax | 60,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| 70,000            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| 4.                | <p><b>Prepare</b> a statement showing changes in working capital statement from the following information:</p> <table border="0" style="width: 100%;"> <tr> <td></td> <td style="text-align: center;"><b>2000 (Rs.)</b></td> <td></td> </tr> <tr> <td><b>2001(Rs.)</b></td> <td></td> <td></td> </tr> <tr> <td>Stock</td> <td style="text-align: right;">3,00,000</td> <td></td> </tr> <tr> <td>3,50,000</td> <td></td> <td></td> </tr> <tr> <td>Bank</td> <td style="text-align: right;">40,000</td> <td></td> </tr> <tr> <td>80,000</td> <td></td> <td></td> </tr> <tr> <td>Debtors</td> <td style="text-align: right;">1,62,000</td> <td></td> </tr> <tr> <td>2,54,000</td> <td></td> <td></td> </tr> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                       | <b>2000 (Rs.)</b>    |  | <b>2001(Rs.)</b> |  |  | Stock | 3,00,000 |  | 3,50,000  |  |  | Bank | 40,000   |    | 80,000   |  |  | Debtors | 1,62,000  |  | 2,54,000 |  |  | Apply     | CMBB02.09 |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
|                   | <b>2000 (Rs.)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| <b>2001(Rs.)</b>  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| Stock             | 3,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| 3,50,000          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| Bank              | 40,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| 80,000            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| Debtors           | 1,62,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| 2,54,000          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| 5.                | <p><b>Prepare</b> a statement showing changes in working capital statement from the following information:</p> <table border="0" style="width: 100%;"> <tr> <td></td> <td style="text-align: center;"><b>2005 (Rs.)</b></td> <td></td> </tr> <tr> <td><b>2006(Rs.)</b></td> <td></td> <td></td> </tr> <tr> <td>Stock</td> <td style="text-align: right;">4,00,000</td> <td></td> </tr> <tr> <td>5,50,000</td> <td></td> <td></td> </tr> <tr> <td>Bank</td> <td style="text-align: right;">80,000</td> <td></td> </tr> <tr> <td>1,60,000</td> <td></td> <td></td> </tr> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                       | <b>2005 (Rs.)</b>    |  | <b>2006(Rs.)</b> |  |  | Stock | 4,00,000 |  | 5,50,000  |  |  | Bank | 80,000   |    | 1,60,000 |  |  | Apply   | CMBB02.09 |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
|                   | <b>2005 (Rs.)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| <b>2006(Rs.)</b>  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| Stock             | 4,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| 5,50,000          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| Bank              | 80,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |
| 1,60,000          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                       |                      |  |                  |  |  |       |          |  |           |  |  |      |          |    |          |  |  |         |           |  |          |  |  |           |           |  |          |           |  |               |        |  |        |  |  |                   |        |  |        |  |  |       |           |

| S. No                | QUESTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Blooms Taxonomy Level | Course Outcome (COs) |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------|------------------|--|-------|----------|----------|--|------|----------|----------|--|---------|----------|----------|--|-----------|----------|----------|--|----------------------|----------|----------|--|-------------------|-----------|--------|--|---------------|--------|--------|--|-------------------|-------|--------|--|-----------|----------|----------|--|-------|-----------|
|                      | Debtors 3,00,000<br>5,00,000<br>B/R 1,00,000<br>1,50,000<br>Creditors 3,30,000<br>2,80,000<br>Provision for tax 10,000<br>15,000<br>Bills payable 20,000<br>12,000<br>Outstanding wages 10,000<br>5,000<br>Buildings 2,00,000<br>4,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                       |                      |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
| 6.                   | <b>Prepare</b> a statement showing changes in working capital statement from the following information:<br><table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right;">2005 (Rs.)</th> </tr> </thead> <tbody> <tr> <td><b>2006(Rs.)</b></td> <td></td> </tr> <tr> <td>Stock</td> <td style="text-align: right;">4,00,000</td> </tr> <tr> <td>4,50,000</td> <td></td> </tr> <tr> <td>Bank</td> <td style="text-align: right;">50,000</td> </tr> <tr> <td>1,00,000</td> <td></td> </tr> <tr> <td>Debtors</td> <td style="text-align: right;">2,62,000</td> </tr> <tr> <td>4,54,000</td> <td></td> </tr> <tr> <td>Creditors</td> <td style="text-align: right;">1,30,000</td> </tr> <tr> <td>1,20,000</td> <td></td> </tr> <tr> <td>Outstanding Expenses</td> <td style="text-align: right;">8,000</td> </tr> <tr> <td>9,000</td> <td></td> </tr> </tbody> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                       | 2005 (Rs.)           | <b>2006(Rs.)</b> |  | Stock | 4,00,000 | 4,50,000 |  | Bank | 50,000   | 1,00,000 |  | Debtors | 2,62,000 | 4,54,000 |  | Creditors | 1,30,000 | 1,20,000 |  | Outstanding Expenses | 8,000    | 9,000    |  | Apply             | CMBB02.09 |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
|                      | 2005 (Rs.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                       |                      |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
| <b>2006(Rs.)</b>     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                       |                      |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
| Stock                | 4,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                       |                      |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
| 4,50,000             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                       |                      |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
| Bank                 | 50,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                       |                      |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
| 1,00,000             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                       |                      |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
| Debtors              | 2,62,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                       |                      |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
| 4,54,000             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                       |                      |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
| Creditors            | 1,30,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                       |                      |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
| 1,20,000             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                       |                      |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
| Outstanding Expenses | 8,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                       |                      |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
| 9,000                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                       |                      |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
| 7.                   | <b>Prepare</b> a statement showing changes in working capital statement from the following information:<br><table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right;">2007 (Rs.)</th> </tr> </thead> <tbody> <tr> <td><b>2008(Rs.)</b></td> <td></td> </tr> <tr> <td>Stock</td> <td style="text-align: right;">5,00,000</td> </tr> <tr> <td>6,50,000</td> <td></td> </tr> <tr> <td>Bank</td> <td style="text-align: right;">1,80,000</td> </tr> <tr> <td>2,60,000</td> <td></td> </tr> <tr> <td>Debtors</td> <td style="text-align: right;">4,00,000</td> </tr> <tr> <td>6,00,000</td> <td></td> </tr> <tr> <td>B/R</td> <td style="text-align: right;">1,50,000</td> </tr> <tr> <td>2,50,000</td> <td></td> </tr> <tr> <td>Creditors</td> <td style="text-align: right;">2,30,000</td> </tr> <tr> <td>2,80,000</td> <td></td> </tr> <tr> <td>Provision for tax</td> <td style="text-align: right;">50,000</td> </tr> <tr> <td>65,000</td> <td></td> </tr> <tr> <td>Bills payable</td> <td style="text-align: right;">30,000</td> </tr> <tr> <td>42,000</td> <td></td> </tr> <tr> <td>Outstanding wages</td> <td style="text-align: right;">5,000</td> </tr> <tr> <td>15,000</td> <td></td> </tr> <tr> <td>Buildings</td> <td style="text-align: right;">4,00,000</td> </tr> <tr> <td>6,00,000</td> <td></td> </tr> </tbody> </table> |                       | 2007 (Rs.)           | <b>2008(Rs.)</b> |  | Stock | 5,00,000 | 6,50,000 |  | Bank | 1,80,000 | 2,60,000 |  | Debtors | 4,00,000 | 6,00,000 |  | B/R       | 1,50,000 | 2,50,000 |  | Creditors            | 2,30,000 | 2,80,000 |  | Provision for tax | 50,000    | 65,000 |  | Bills payable | 30,000 | 42,000 |  | Outstanding wages | 5,000 | 15,000 |  | Buildings | 4,00,000 | 6,00,000 |  | Apply | CMBB02.09 |
|                      | 2007 (Rs.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                       |                      |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
| <b>2008(Rs.)</b>     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                       |                      |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
| Stock                | 5,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                       |                      |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
| 6,50,000             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                       |                      |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
| Bank                 | 1,80,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                       |                      |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
| 2,60,000             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                       |                      |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
| Debtors              | 4,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                       |                      |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
| 6,00,000             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                       |                      |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
| B/R                  | 1,50,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                       |                      |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
| 2,50,000             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                       |                      |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
| Creditors            | 2,30,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                       |                      |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
| 2,80,000             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                       |                      |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
| Provision for tax    | 50,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                       |                      |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
| 65,000               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                       |                      |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
| Bills payable        | 30,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                       |                      |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
| 42,000               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                       |                      |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
| Outstanding wages    | 5,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                       |                      |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
| 15,000               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                       |                      |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
| Buildings            | 4,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                       |                      |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
| 6,00,000             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                       |                      |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |
| 8.                   | Prepare funds flow statement of MN Ltd., for the year ended 31 <sup>st</sup> March 2002 from the following balance sheets                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Apply                 | CMBB02.09            |                  |  |       |          |          |  |      |          |          |  |         |          |          |  |           |          |          |  |                      |          |          |  |                   |           |        |  |               |        |        |  |                   |       |        |  |           |          |          |  |       |           |

| S. No | QUESTION                                                                                                                       |                 |                 |                |                 |                 | Blooms Taxonomy Level | Course Outcome (COs) |
|-------|--------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|----------------|-----------------|-----------------|-----------------------|----------------------|
|       | Liabilities                                                                                                                    | 2001 (Rs.)      | 2002 (Rs.)      | Assets         | 2001 (Rs.)      | 2002 (Rs.)      |                       |                      |
|       | Capital                                                                                                                        | 2,00,000        | 2,50,000        | Building       | 50,000          | 66,000          |                       |                      |
|       | Creditors                                                                                                                      | 70,000          | 45,000          | Stock          | 80,000          | 90,000          |                       |                      |
|       | P & L A/c                                                                                                                      | 10,000          | 23,000          |                |                 |                 |                       |                      |
|       |                                                                                                                                |                 |                 | Sundry Debtors | 1,20,000        | 1,15,000        |                       |                      |
|       |                                                                                                                                |                 |                 | Cash           | 30,000          | 47,000          |                       |                      |
|       |                                                                                                                                | <b>2,80,000</b> | <b>3,18,000</b> |                | <b>2,80,000</b> | <b>3,18,000</b> |                       |                      |
| 9.    | Prepare funds flow statement of MNO Ltd., for the year ended 31 <sup>st</sup> December 2006 from the following balance sheets: |                 |                 |                |                 |                 | Apply                 | CMBB02.09            |
|       | Liabilities                                                                                                                    | 2005 (Rs.)      | 2006 (Rs.)      | Assets         | 2005 (Rs.)      | 2006 (Rs.)      |                       |                      |
|       | Capital                                                                                                                        | 63,000          | 1,00,000        | Building       | 80,000          | 1,00,000        |                       |                      |
|       | Creditors                                                                                                                      | 42,000          | 39,000          | Furniture      | 15,000          | 10,000          |                       |                      |
|       | O/s expenses                                                                                                                   | 5,000           | 6,000           | Stock          | 55,000          | 72,000          |                       |                      |
|       | Long term Loan                                                                                                                 | 50,000          | 60,000          | Sundry Debtors | 30,000          | 28,000          |                       |                      |
|       | Bank O.D                                                                                                                       | 35,000          | 25,000          | Cash           | 15,000          | 20,000          |                       |                      |
|       |                                                                                                                                | <b>1,95,000</b> | <b>2,30,000</b> |                | <b>1,95,000</b> | <b>2,30,000</b> |                       |                      |
| 10.   | Prepare funds flow statement of ABC Ltd., for the year ended 31 <sup>st</sup> December 2006 from the following balance sheets: |                 |                 |                |                 |                 | Apply                 | CMBB02.09            |
|       | Liabilities                                                                                                                    | 2005 (Rs.)      | 2006 (Rs.)      | Assets         | 2005 (Rs.)      | 2006 (Rs.)      |                       |                      |
|       | Capital                                                                                                                        | 60,000          | 1,20,000        | Building       | 90,000          | 1,20,000        |                       |                      |
|       | Creditors                                                                                                                      | 62,000          | 69,000          | Furniture      | 25,000          | 15,000          |                       |                      |
|       | O/s expenses                                                                                                                   | 15,000          | 16,000          | Stock          | 65,000          | 75,000          |                       |                      |
|       | Long term Loan                                                                                                                 | 70,000          | 90,000          | Sundry Debtors | 35,000          | 30,000          |                       |                      |
|       | Bank O.D                                                                                                                       | 25,000          | 35,000          | Cash           | 17,000          | 90,000          |                       |                      |



| S. No | QUESTION                                                                                                                       |                 |                 |                |                 |                 | Blooms Taxonomy Level | Course Outcome (COs) |
|-------|--------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|----------------|-----------------|-----------------|-----------------------|----------------------|
|       |                                                                                                                                | 2,32,000        | 3,30,000        |                | 2,32,000        | 3,30,000        |                       |                      |
| 11.   | Prepare funds flow statement of SM Industries for the year ended 31 <sup>st</sup> March 2009 from the following balance sheets |                 |                 |                |                 |                 | Apply                 | CMBB02.09            |
|       | Liabilities                                                                                                                    | 2008<br>(Rs.)   | 2009<br>(Rs.)   | Assets         | 2008<br>(Rs.)   | 2009<br>(Rs.)   |                       |                      |
|       | Capital                                                                                                                        | 60,000          | 65,000          | Goodwill       | 30,000          | 25,000          |                       |                      |
|       | Current Liabilities                                                                                                            | 12,000          | 3,000           | Furniture      | 60,000          | 50,000          |                       |                      |
|       | P & L A/c                                                                                                                      | 34,000          | 26,000          | Current Assets | 16,000          | 19,000          |                       |                      |
|       |                                                                                                                                | <b>1,06,000</b> | <b>94,000</b>   |                | <b>1,06,000</b> | <b>94,000</b>   |                       |                      |
|       | <b>Other Information:</b>                                                                                                      |                 |                 |                |                 |                 |                       |                      |
|       | 1. Dividend of Rs.12,000 was paid during the year 2009.<br>2. Depreciation on Furniture Rs.20,000 transferred to P&L A/c.      |                 |                 |                |                 |                 |                       |                      |
| 12.   | Prepare funds flow statement of PQ Ltd., for the year ended 31 <sup>st</sup> March 2010 from the following balance sheets      |                 |                 |                |                 |                 | Apply                 | CMBB02.09            |
|       | Liabilities                                                                                                                    | 2009<br>(Rs.)   | 2010<br>(Rs.)   | Assets         | 2009<br>(Rs.)   | 2010<br>(Rs.)   |                       |                      |
|       | Capital                                                                                                                        | 2,50,000        | 3,25,000        | Building       | 50,000          | 60,000          |                       |                      |
|       | Creditors                                                                                                                      | 1,00,000        | 70,000          | Furniture      | 10,000          | 15,000          |                       |                      |
|       | P & L A/c                                                                                                                      | 15,000          | 30,000          | Stock          | 85,000          | 1,05,000        |                       |                      |
|       | Provision for tax                                                                                                              | 50,000          | 75,000          | Sundry Debtors | 1,60,000        | 1,50,000        |                       |                      |
|       |                                                                                                                                |                 |                 | Cash           | 1,10,000        | 1,70,000        |                       |                      |
|       |                                                                                                                                | <b>4,15,000</b> | <b>5,00,000</b> |                | <b>4,15,000</b> | <b>5,00,000</b> |                       |                      |
|       | <b>Other Information:</b> Income tax provision made during the year was Rs.35,000.                                             |                 |                 |                |                 |                 |                       |                      |

| S. No             | QUESTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Blooms Taxonomy Level | Course Outcome (COs) |                 |                 |               |               |         |          |          |          |        |        |           |        |        |           |        |        |           |        |        |       |        |          |                   |        |        |                |        |          |  |  |  |      |          |          |  |                 |                 |  |                 |                 |       |           |
|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------|-----------------|-----------------|---------------|---------------|---------|----------|----------|----------|--------|--------|-----------|--------|--------|-----------|--------|--------|-----------|--------|--------|-------|--------|----------|-------------------|--------|--------|----------------|--------|----------|--|--|--|------|----------|----------|--|-----------------|-----------------|--|-----------------|-----------------|-------|-----------|
|                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                       |                      |                 |                 |               |               |         |          |          |          |        |        |           |        |        |           |        |        |           |        |        |       |        |          |                   |        |        |                |        |          |  |  |  |      |          |          |  |                 |                 |  |                 |                 |       |           |
| 13.               | <p>Prepare funds flow statement of XY Ltd., for the year ended 31<sup>st</sup> March 2010 from the following balance sheets</p> <table border="1" data-bbox="321 1056 1068 1738"> <thead> <tr> <th data-bbox="321 1056 423 1171">Liabilities</th> <th data-bbox="423 1056 526 1171">2009<br/>(Rs.)</th> <th data-bbox="526 1056 664 1171">2010<br/>(Rs.)</th> <th data-bbox="664 1056 750 1171">Assets</th> <th data-bbox="750 1056 888 1171">2009<br/>(Rs.)</th> <th data-bbox="888 1056 1068 1171">2010<br/>(Rs.)</th> </tr> </thead> <tbody> <tr> <td data-bbox="321 1171 423 1262">Capital</td> <td data-bbox="423 1171 526 1262">1,50,000</td> <td data-bbox="526 1171 664 1262">2,75,000</td> <td data-bbox="664 1171 750 1262">Building</td> <td data-bbox="750 1171 888 1262">50,000</td> <td data-bbox="888 1171 1068 1262">60,000</td> </tr> <tr> <td data-bbox="321 1262 423 1352">Creditors</td> <td data-bbox="423 1262 526 1352">90,000</td> <td data-bbox="526 1262 664 1352">70,000</td> <td data-bbox="664 1262 750 1352">Furniture</td> <td data-bbox="750 1262 888 1352">10,000</td> <td data-bbox="888 1262 1068 1352">15,000</td> </tr> <tr> <td data-bbox="321 1352 423 1442">P &amp; L A/c</td> <td data-bbox="423 1352 526 1442">15,000</td> <td data-bbox="526 1352 664 1442">30,000</td> <td data-bbox="664 1352 750 1442">Stock</td> <td data-bbox="750 1352 888 1442">80,000</td> <td data-bbox="888 1352 1068 1442">1,05,000</td> </tr> <tr> <td data-bbox="321 1442 423 1591">Provision for tax</td> <td data-bbox="423 1442 526 1591">50,000</td> <td data-bbox="526 1442 664 1591">25,000</td> <td data-bbox="664 1442 750 1591">Sundry Debtors</td> <td data-bbox="750 1442 888 1591">60,000</td> <td data-bbox="888 1442 1068 1591">1,00,000</td> </tr> <tr> <td data-bbox="321 1591 423 1654"></td> <td data-bbox="423 1591 526 1654"></td> <td data-bbox="526 1591 664 1654"></td> <td data-bbox="664 1591 750 1654">Cash</td> <td data-bbox="750 1591 888 1654">1,05,000</td> <td data-bbox="888 1591 1068 1654">1,20,000</td> </tr> <tr> <td data-bbox="321 1654 423 1738"></td> <td data-bbox="423 1654 526 1738"><b>3,05,000</b></td> <td data-bbox="526 1654 664 1738"><b>4,00,000</b></td> <td data-bbox="664 1654 750 1738"></td> <td data-bbox="750 1654 888 1738"><b>3,05,000</b></td> <td data-bbox="888 1654 1068 1738"><b>4,00,000</b></td> </tr> </tbody> </table> <p data-bbox="321 1738 1068 1833"><b>Other Information:</b> i) Income tax provision made during the year was Rs.65,000.<br/>ii) Payment of dividend during the year amounted to Rs.25,000</p> | Liabilities           | 2009<br>(Rs.)        | 2010<br>(Rs.)   | Assets          | 2009<br>(Rs.) | 2010<br>(Rs.) | Capital | 1,50,000 | 2,75,000 | Building | 50,000 | 60,000 | Creditors | 90,000 | 70,000 | Furniture | 10,000 | 15,000 | P & L A/c | 15,000 | 30,000 | Stock | 80,000 | 1,05,000 | Provision for tax | 50,000 | 25,000 | Sundry Debtors | 60,000 | 1,00,000 |  |  |  | Cash | 1,05,000 | 1,20,000 |  | <b>3,05,000</b> | <b>4,00,000</b> |  | <b>3,05,000</b> | <b>4,00,000</b> | Apply | CMBB02.09 |
| Liabilities       | 2009<br>(Rs.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 2010<br>(Rs.)         | Assets               | 2009<br>(Rs.)   | 2010<br>(Rs.)   |               |               |         |          |          |          |        |        |           |        |        |           |        |        |           |        |        |       |        |          |                   |        |        |                |        |          |  |  |  |      |          |          |  |                 |                 |  |                 |                 |       |           |
| Capital           | 1,50,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 2,75,000              | Building             | 50,000          | 60,000          |               |               |         |          |          |          |        |        |           |        |        |           |        |        |           |        |        |       |        |          |                   |        |        |                |        |          |  |  |  |      |          |          |  |                 |                 |  |                 |                 |       |           |
| Creditors         | 90,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 70,000                | Furniture            | 10,000          | 15,000          |               |               |         |          |          |          |        |        |           |        |        |           |        |        |           |        |        |       |        |          |                   |        |        |                |        |          |  |  |  |      |          |          |  |                 |                 |  |                 |                 |       |           |
| P & L A/c         | 15,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 30,000                | Stock                | 80,000          | 1,05,000        |               |               |         |          |          |          |        |        |           |        |        |           |        |        |           |        |        |       |        |          |                   |        |        |                |        |          |  |  |  |      |          |          |  |                 |                 |  |                 |                 |       |           |
| Provision for tax | 50,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 25,000                | Sundry Debtors       | 60,000          | 1,00,000        |               |               |         |          |          |          |        |        |           |        |        |           |        |        |           |        |        |       |        |          |                   |        |        |                |        |          |  |  |  |      |          |          |  |                 |                 |  |                 |                 |       |           |
|                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                       | Cash                 | 1,05,000        | 1,20,000        |               |               |         |          |          |          |        |        |           |        |        |           |        |        |           |        |        |       |        |          |                   |        |        |                |        |          |  |  |  |      |          |          |  |                 |                 |  |                 |                 |       |           |
|                   | <b>3,05,000</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>4,00,000</b>       |                      | <b>3,05,000</b> | <b>4,00,000</b> |               |               |         |          |          |          |        |        |           |        |        |           |        |        |           |        |        |       |        |          |                   |        |        |                |        |          |  |  |  |      |          |          |  |                 |                 |  |                 |                 |       |           |
| 14.               | Prepare cash flow statement of MNO Ltd., for the year ended 31 <sup>st</sup> December 2012 from the following balance sheets:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Apply                 | CMBB02.09            |                 |                 |               |               |         |          |          |          |        |        |           |        |        |           |        |        |           |        |        |       |        |          |                   |        |        |                |        |          |  |  |  |      |          |          |  |                 |                 |  |                 |                 |       |           |

| S. No | QUESTION                                                                                                                                             |                 |                  |                |                 |                  | Blooms Taxonomy Level | Course Outcome (COs) |  |
|-------|------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|------------------|----------------|-----------------|------------------|-----------------------|----------------------|--|
|       | Liabilities                                                                                                                                          | 2014<br>(Rs.)   | 2015<br>(Rs.)    | Assets         | 2014<br>(Rs.)   | 2015<br>(Rs.)    |                       |                      |  |
|       | Capital                                                                                                                                              | 4,00,000        | 5,00,000         | Building       | 1,50,000        | 1,60,000         |                       |                      |  |
|       | Creditors                                                                                                                                            | 2,00,000        | 1,70,000         | Furniture      | 1,10,000        | 1,15,000         |                       |                      |  |
|       | P & L A/c                                                                                                                                            | 3,15,000        | 3,30,000         | Stock          | 1,85,000        | 2,05,000         |                       |                      |  |
|       |                                                                                                                                                      |                 |                  | Sundry Debtors | 2,60,000        | 2,50,000         |                       |                      |  |
|       |                                                                                                                                                      |                 |                  | Cash           | 2,10,000        | 2,70,000         |                       |                      |  |
|       |                                                                                                                                                      | <b>9,15,000</b> | <b>10,00,000</b> |                | <b>9,15,000</b> | <b>10,00,000</b> |                       |                      |  |
|       | <b>Other Information:</b> i) Depreciation was written off furniture Rs.25,000 during the year 2015. ii) Dividend paid for Rs.10,000 during the year. |                 |                  |                |                 |                  |                       |                      |  |
| 15.   | Prepare cash flow statement of XYZ Ltd., for the year ended 31 <sup>st</sup> December 2012 from the following balance sheets:                        |                 |                  |                |                 |                  | Apply                 | CMBB02.09            |  |
|       | Liabilities                                                                                                                                          | 2011<br>(Rs.)   | 2012<br>(Rs.)    | Assets         | 2011<br>(Rs.)   | 2012<br>(Rs.)    |                       |                      |  |
|       | Capital                                                                                                                                              | 3,00,000        | 4,00,000         | Building       | 50,000          | 60,000           |                       |                      |  |
|       | Creditors                                                                                                                                            | 1,00,000        | 70,000           | Furniture      | 10,000          | 15,000           |                       |                      |  |
|       | P & L A/c                                                                                                                                            | 15,000          | 30,000           | Stock          | 85,000          | 1,05,000         |                       |                      |  |
|       |                                                                                                                                                      |                 |                  | Sundry Debtors | 1,60,000        | 1,50,000         |                       |                      |  |
|       |                                                                                                                                                      |                 |                  | Cash           | 1,10,000        | 1,70,000         |                       |                      |  |
|       |                                                                                                                                                      | <b>4,15,000</b> | <b>5,00,000</b>  |                | <b>4,15,000</b> | <b>5,00,000</b>  |                       |                      |  |

| S. No                                 | QUESTION                                                                                                                                                        | Blooms Taxonomy Level | Course Outcome (COs) |
|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------|
|                                       | <b>Other Information:</b> i) Depreciation was written off furniture Rs.5,000 during the year 2012. ii) Payment of Dividend for Rs. 10,000 during the year 2012. |                       |                      |
| <b>UNIT-V</b>                         |                                                                                                                                                                 |                       |                      |
| <b>FINANCIAL ANALYSIS-II</b>          |                                                                                                                                                                 |                       |                      |
| <b>PART-A(SHORT ANSWER QUESTIONS)</b> |                                                                                                                                                                 |                       |                      |
| 1.                                    | List out the limitations of financial statement analysis.                                                                                                       | Remember              | CMBB02.10            |
| 2.                                    | Write any three advantages of financial statements.                                                                                                             | Understand            | CMBB02.10            |
| 3.                                    | Elucidate the concepts of comparative balance Sheet common size balance sheet.                                                                                  | Analyze               | CMBB02.11            |
| 4.                                    | Examine the concepts of comparative income statement and common size income statement.                                                                          | Analyze               | CMBB02.11            |
| 3.                                    | Examine any three advantages of ratio analysis.                                                                                                                 | Understand            | CMBB02.12            |
| 4.                                    | Write a short note on current ratio.                                                                                                                            | Remember              | CMBB02.12            |
| 5.                                    | Examine the formula for operating ratio.                                                                                                                        | Remember              | CMBB02.12            |
| 6.                                    | Design the formula for debt equity ratio.                                                                                                                       | Understand            | CMBB02.12            |
| 7.                                    | List out the limitations of ratio analysis.                                                                                                                     | Remember              | CMBB02.12            |
| 8.                                    | Explain the term cost of goods sold.                                                                                                                            | Understand            | CMBB02.12            |
| 9.                                    | Write the formula for current ratio.                                                                                                                            | Understand            | CMBB02.12            |
| 10.                                   | Explain the meaning of ratio analysis.                                                                                                                          | Remember              | CMBB02.12            |
| 11.                                   | Write the formulae of quick ratio.                                                                                                                              | Understand            | CMBB02.12            |
| 12.                                   | Explain the meaning of absolute liquidity ratio.                                                                                                                | Understand            | CMBB02.12            |
| 13.                                   | Discuss two types of profitability ratios.                                                                                                                      | Remember              | CMBB02.12            |
| 14.                                   | Examine the formulae of working capital turnover ratio.                                                                                                         | Understand            | CMBB02.12            |
| 15.                                   | Discuss the formulae of inventory turnover ratio.                                                                                                               | Understand            | CMBB02.12            |
| 16.                                   | State the formulae of creditors' turnover ratio.                                                                                                                | Remember              | CMBB02.12            |
| 17.                                   | Examine the formulae of debtors' turnover ratio.                                                                                                                | Understand            | CMBB02.12            |
| 18.                                   | Examine the formulae of operating ratio.                                                                                                                        | Understand            | CMBB02.12            |
| 19.                                   | Write the formulae of gross profit ratio.                                                                                                                       | Remember              | CMBB02.12            |
| 20.                                   | State the formulae of net profit ratio.                                                                                                                         | Understand            | CMBB02.12            |
| 21.                                   | Explain the concept of Du Pont Chart.                                                                                                                           | Understand            | CMBB02.12            |
| <b>PART-B(LONG ANSWER QUESTIONS)</b>  |                                                                                                                                                                 |                       |                      |
| 1.                                    | Explain the significance of financial statement analysis.                                                                                                       | Understand            | CMBB02.10            |
| 2.                                    | Define financial statement analysis. Explain limitations of financial statements.                                                                               | Remember              | CMBB02.10            |
| 3.                                    | Examine the concept of comparative financial statements.                                                                                                        | Understand            | CMBB02.11            |
| 4.                                    | Describe the concept of common size financial statements.                                                                                                       | Understand            | CMBB02.11            |
| 5.                                    | Discuss the objectives of financial statement analysis.                                                                                                         | Remember              | CMBB02.11            |
| 6.                                    | Define Ratio Analysis. Discuss the advantages of ratio analysis.                                                                                                | Remember              | CMBB02.12            |
| 7.                                    | Illustrate different types of Ratios.                                                                                                                           | Remember              | CMBB02.12            |
| 8.                                    | Discuss different types of liquidity ratios.                                                                                                                    | Understand            | CMBB02.12            |
| 9.                                    | Describe different types of financial statements.                                                                                                               | Analyze               | CMBB02.12            |

| S. No                                                           | QUESTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Blooms Taxonomy Level | Course Outcome (COs) |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |          |         |          |           |          |               |          |           |          |           |        |                   |        |          |        |         |          |               |          |              |          |                        |          |                       |        |  |                  |  |                  |       |           |
|-----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------|--------|-------------|----------------------|-----------|----------|----------|-----------------------------|----------|-------------------|----------|-----------------|----------|-----------------|----------|---------|----------|-----------|----------|---------------|----------|-----------|----------|-----------|--------|-------------------|--------|----------|--------|---------|----------|---------------|----------|--------------|----------|------------------------|----------|-----------------------|--------|--|------------------|--|------------------|-------|-----------|
| 10.                                                             | Examine different types of turnover ratios.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Remember              | CMBB02.12            |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |          |         |          |           |          |               |          |           |          |           |        |                   |        |          |        |         |          |               |          |              |          |                        |          |                       |        |  |                  |  |                  |       |           |
| 11.                                                             | Explain different types of capital structure ratios.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Understand            | CMBB02.12            |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |          |         |          |           |          |               |          |           |          |           |        |                   |        |          |        |         |          |               |          |              |          |                        |          |                       |        |  |                  |  |                  |       |           |
| 12.                                                             | Examine different types of profitability ratios.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Understand            | CMBB02.12            |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |          |         |          |           |          |               |          |           |          |           |        |                   |        |          |        |         |          |               |          |              |          |                        |          |                       |        |  |                  |  |                  |       |           |
| 13.                                                             | Demonstrate the formulas for of different types of liquidity ratios.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Remember              | CMBB02.12            |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |          |         |          |           |          |               |          |           |          |           |        |                   |        |          |        |         |          |               |          |              |          |                        |          |                       |        |  |                  |  |                  |       |           |
| 14.                                                             | Discuss the formulas for different types of turnover ratios.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Understand            | CMBB02.12            |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |          |         |          |           |          |               |          |           |          |           |        |                   |        |          |        |         |          |               |          |              |          |                        |          |                       |        |  |                  |  |                  |       |           |
| 15.                                                             | Examine the formulas for different types of profitability ratios.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Understand            | CMBB02.12            |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |          |         |          |           |          |               |          |           |          |           |        |                   |        |          |        |         |          |               |          |              |          |                        |          |                       |        |  |                  |  |                  |       |           |
| 16.                                                             | Enumerate the limitations of ratio analysis.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Analyze               | CMBB02.12            |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |          |         |          |           |          |               |          |           |          |           |        |                   |        |          |        |         |          |               |          |              |          |                        |          |                       |        |  |                  |  |                  |       |           |
| 17.                                                             | What is the meaning of window dressing? Explain different kinds of window dressing.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Analyze               | CMBB02.12            |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |          |         |          |           |          |               |          |           |          |           |        |                   |        |          |        |         |          |               |          |              |          |                        |          |                       |        |  |                  |  |                  |       |           |
| <b>PART-C (PROBLEM SOLVING AND CRITICAL THINKING QUESTIONS)</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                       |                      |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |          |         |          |           |          |               |          |           |          |           |        |                   |        |          |        |         |          |               |          |              |          |                        |          |                       |        |  |                  |  |                  |       |           |
| 1                                                               | <p>From the following balance sheet you are required to Calculate</p> <p>i) Current ratio, ii) Quick ratio and iii) Absolute liquidity ratio.</p> <p>Balance Sheet of XYZ &amp; Co for the year ended 31-12-2013</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Liabilities</th> <th style="width: 15%;">Amount (Rs.)</th> <th style="width: 25%;">Assets</th> <th style="width: 35%;">Amount(Rs.)</th> </tr> </thead> <tbody> <tr> <td>Equity share capital</td> <td>10,00,000</td> <td>Goodwill</td> <td>5,00,000</td> </tr> <tr> <td>6% Preference Share Capital</td> <td>5,00,000</td> <td>Plant &amp; Machinery</td> <td>6,00,000</td> </tr> <tr> <td>General Reserve</td> <td>1,00,000</td> <td>Land &amp; Building</td> <td>7,00,000</td> </tr> <tr> <td>P&amp;L A/c</td> <td>4,00,000</td> <td>Furniture</td> <td>1,00,000</td> </tr> <tr> <td>12% Debenture</td> <td>5,00,000</td> <td>Inventory</td> <td>6,00,000</td> </tr> <tr> <td>Creditors</td> <td>80,000</td> <td>Bills Receivables</td> <td>30,000</td> </tr> <tr> <td>Bank O.D</td> <td>20,000</td> <td>Debtors</td> <td>1,50,000</td> </tr> <tr> <td>Bills Payable</td> <td>1,24,000</td> <td>Bank Balance</td> <td>2,00,000</td> </tr> <tr> <td>Provision for Taxation</td> <td>1,76,000</td> <td>Marketable Securities</td> <td>20,000</td> </tr> <tr> <td></td> <td><b>29,00,000</b></td> <td></td> <td><b>29,00,000</b></td> </tr> </tbody> </table> | Liabilities           | Amount (Rs.)         | Assets | Amount(Rs.) | Equity share capital | 10,00,000 | Goodwill | 5,00,000 | 6% Preference Share Capital | 5,00,000 | Plant & Machinery | 6,00,000 | General Reserve | 1,00,000 | Land & Building | 7,00,000 | P&L A/c | 4,00,000 | Furniture | 1,00,000 | 12% Debenture | 5,00,000 | Inventory | 6,00,000 | Creditors | 80,000 | Bills Receivables | 30,000 | Bank O.D | 20,000 | Debtors | 1,50,000 | Bills Payable | 1,24,000 | Bank Balance | 2,00,000 | Provision for Taxation | 1,76,000 | Marketable Securities | 20,000 |  | <b>29,00,000</b> |  | <b>29,00,000</b> | Apply | CMBB02.12 |
| Liabilities                                                     | Amount (Rs.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Assets                | Amount(Rs.)          |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |          |         |          |           |          |               |          |           |          |           |        |                   |        |          |        |         |          |               |          |              |          |                        |          |                       |        |  |                  |  |                  |       |           |
| Equity share capital                                            | 10,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Goodwill              | 5,00,000             |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |          |         |          |           |          |               |          |           |          |           |        |                   |        |          |        |         |          |               |          |              |          |                        |          |                       |        |  |                  |  |                  |       |           |
| 6% Preference Share Capital                                     | 5,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Plant & Machinery     | 6,00,000             |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |          |         |          |           |          |               |          |           |          |           |        |                   |        |          |        |         |          |               |          |              |          |                        |          |                       |        |  |                  |  |                  |       |           |
| General Reserve                                                 | 1,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Land & Building       | 7,00,000             |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |          |         |          |           |          |               |          |           |          |           |        |                   |        |          |        |         |          |               |          |              |          |                        |          |                       |        |  |                  |  |                  |       |           |
| P&L A/c                                                         | 4,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Furniture             | 1,00,000             |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |          |         |          |           |          |               |          |           |          |           |        |                   |        |          |        |         |          |               |          |              |          |                        |          |                       |        |  |                  |  |                  |       |           |
| 12% Debenture                                                   | 5,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Inventory             | 6,00,000             |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |          |         |          |           |          |               |          |           |          |           |        |                   |        |          |        |         |          |               |          |              |          |                        |          |                       |        |  |                  |  |                  |       |           |
| Creditors                                                       | 80,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Bills Receivables     | 30,000               |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |          |         |          |           |          |               |          |           |          |           |        |                   |        |          |        |         |          |               |          |              |          |                        |          |                       |        |  |                  |  |                  |       |           |
| Bank O.D                                                        | 20,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Debtors               | 1,50,000             |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |          |         |          |           |          |               |          |           |          |           |        |                   |        |          |        |         |          |               |          |              |          |                        |          |                       |        |  |                  |  |                  |       |           |
| Bills Payable                                                   | 1,24,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Bank Balance          | 2,00,000             |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |          |         |          |           |          |               |          |           |          |           |        |                   |        |          |        |         |          |               |          |              |          |                        |          |                       |        |  |                  |  |                  |       |           |
| Provision for Taxation                                          | 1,76,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Marketable Securities | 20,000               |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |          |         |          |           |          |               |          |           |          |           |        |                   |        |          |        |         |          |               |          |              |          |                        |          |                       |        |  |                  |  |                  |       |           |
|                                                                 | <b>29,00,000</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                       | <b>29,00,000</b>     |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |          |         |          |           |          |               |          |           |          |           |        |                   |        |          |        |         |          |               |          |              |          |                        |          |                       |        |  |                  |  |                  |       |           |

| 2                           | <p>Calculate i) Gross profit ratio ii) Net profit ratio iii) Operating ratio iv) Operating profit ratio from the following Trading and Profit and Loss Account:</p> <p><b>Dr</b></p> <p><b>Cr</b></p> <table border="1" data-bbox="284 325 1063 735"> <thead> <tr> <th>Particulars</th> <th>Amount Rs.</th> <th>Particulars</th> <th>Amount Rs.</th> </tr> </thead> <tbody> <tr> <td>To Opening stock</td> <td>30,000</td> <td>By Net sales</td> <td>1,10,000</td> </tr> <tr> <td>To Purchases</td> <td>60,000</td> <td>By Closing stock</td> <td>20,000</td> </tr> <tr> <td>To Wages</td> <td>10,000</td> <td></td> <td></td> </tr> <tr> <td>To Gross profit</td> <td>30,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td><b>1,30,000</b></td> <td></td> <td><b>1,30,000</b></td> </tr> <tr> <td>To Office expenses</td> <td>10,000</td> <td>By Gross profit</td> <td>30,000</td> </tr> <tr> <td>To Selling and Distribution</td> <td>5,000</td> <td>By Sundry receipts</td> <td>5,000</td> </tr> <tr> <td>To Net Profit</td> <td>20,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td><b>35,000</b></td> <td></td> <td><b>35,000</b></td> </tr> </tbody> </table>                                                                                                                                                                                                                                                       | Particulars           | Amount Rs.       | Particulars | Amount Rs.   | To Opening stock     | 30,000    | By Net sales | 1,10,000 | To Purchases                | 60,000   | By Closing stock  | 20,000   | To Wages        | 10,000   |                 |          | To Gross profit   | 30,000   |           |          |                | <b>1,30,000</b> |                  | <b>1,30,000</b> | To Office expenses | 10,000 | By Gross profit   | 30,000 | To Selling and Distribution | 5,000  | By Sundry receipts | 5,000    | To Net Profit | 20,000   |              |          |                        | <b>35,000</b> |                       | <b>35,000</b> | Apply | CMBB02.12        |  |                  |       |           |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------|-------------|--------------|----------------------|-----------|--------------|----------|-----------------------------|----------|-------------------|----------|-----------------|----------|-----------------|----------|-------------------|----------|-----------|----------|----------------|-----------------|------------------|-----------------|--------------------|--------|-------------------|--------|-----------------------------|--------|--------------------|----------|---------------|----------|--------------|----------|------------------------|---------------|-----------------------|---------------|-------|------------------|--|------------------|-------|-----------|
| Particulars                 | Amount Rs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Particulars           | Amount Rs.       |             |              |                      |           |              |          |                             |          |                   |          |                 |          |                 |          |                   |          |           |          |                |                 |                  |                 |                    |        |                   |        |                             |        |                    |          |               |          |              |          |                        |               |                       |               |       |                  |  |                  |       |           |
| To Opening stock            | 30,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | By Net sales          | 1,10,000         |             |              |                      |           |              |          |                             |          |                   |          |                 |          |                 |          |                   |          |           |          |                |                 |                  |                 |                    |        |                   |        |                             |        |                    |          |               |          |              |          |                        |               |                       |               |       |                  |  |                  |       |           |
| To Purchases                | 60,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | By Closing stock      | 20,000           |             |              |                      |           |              |          |                             |          |                   |          |                 |          |                 |          |                   |          |           |          |                |                 |                  |                 |                    |        |                   |        |                             |        |                    |          |               |          |              |          |                        |               |                       |               |       |                  |  |                  |       |           |
| To Wages                    | 10,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                       |                  |             |              |                      |           |              |          |                             |          |                   |          |                 |          |                 |          |                   |          |           |          |                |                 |                  |                 |                    |        |                   |        |                             |        |                    |          |               |          |              |          |                        |               |                       |               |       |                  |  |                  |       |           |
| To Gross profit             | 30,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                       |                  |             |              |                      |           |              |          |                             |          |                   |          |                 |          |                 |          |                   |          |           |          |                |                 |                  |                 |                    |        |                   |        |                             |        |                    |          |               |          |              |          |                        |               |                       |               |       |                  |  |                  |       |           |
|                             | <b>1,30,000</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                       | <b>1,30,000</b>  |             |              |                      |           |              |          |                             |          |                   |          |                 |          |                 |          |                   |          |           |          |                |                 |                  |                 |                    |        |                   |        |                             |        |                    |          |               |          |              |          |                        |               |                       |               |       |                  |  |                  |       |           |
| To Office expenses          | 10,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | By Gross profit       | 30,000           |             |              |                      |           |              |          |                             |          |                   |          |                 |          |                 |          |                   |          |           |          |                |                 |                  |                 |                    |        |                   |        |                             |        |                    |          |               |          |              |          |                        |               |                       |               |       |                  |  |                  |       |           |
| To Selling and Distribution | 5,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | By Sundry receipts    | 5,000            |             |              |                      |           |              |          |                             |          |                   |          |                 |          |                 |          |                   |          |           |          |                |                 |                  |                 |                    |        |                   |        |                             |        |                    |          |               |          |              |          |                        |               |                       |               |       |                  |  |                  |       |           |
| To Net Profit               | 20,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                       |                  |             |              |                      |           |              |          |                             |          |                   |          |                 |          |                 |          |                   |          |           |          |                |                 |                  |                 |                    |        |                   |        |                             |        |                    |          |               |          |              |          |                        |               |                       |               |       |                  |  |                  |       |           |
|                             | <b>35,000</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                       | <b>35,000</b>    |             |              |                      |           |              |          |                             |          |                   |          |                 |          |                 |          |                   |          |           |          |                |                 |                  |                 |                    |        |                   |        |                             |        |                    |          |               |          |              |          |                        |               |                       |               |       |                  |  |                  |       |           |
| 3.                          | <p>Compute i) Debt equity ratio ii) Proprietary ratio iii) fixed assets ratio iv) interest coverage ratio from the following balance sheet.</p> <table border="1" data-bbox="284 850 1063 1291"> <thead> <tr> <th>Liabilities</th> <th>Amount (Rs.)</th> <th>Assets</th> <th>Amount (Rs.)</th> </tr> </thead> <tbody> <tr> <td>Equity Share Capital</td> <td>10,00,000</td> <td>Goodwill</td> <td>5,00,000</td> </tr> <tr> <td>6% Preference Share Capital</td> <td>5,00,000</td> <td>Plant &amp; Machinery</td> <td>6,00,000</td> </tr> <tr> <td>General Reserve</td> <td>1,00,000</td> <td>Land &amp; Building</td> <td>7,00,000</td> </tr> <tr> <td>Surplus (P&amp;L A/c)</td> <td>4,00,000</td> <td>Furniture</td> <td>1,00,000</td> </tr> <tr> <td>12% Debentures</td> <td>5,00,000</td> <td>Stock- in -Trade</td> <td>6,00,000</td> </tr> <tr> <td>Creditors</td> <td>80,000</td> <td>Bills Receivables</td> <td>30,000</td> </tr> <tr> <td>Bank Overdraft</td> <td>20,000</td> <td>Debtors</td> <td>1,50,000</td> </tr> <tr> <td>Bills Payable</td> <td>1,24,000</td> <td>Bank Balance</td> <td>2,00,000</td> </tr> <tr> <td>Provision for Taxation</td> <td>1,76,000</td> <td>Marketable Securities</td> <td>20,000</td> </tr> <tr> <td></td> <td><b>29,00,000</b></td> <td></td> <td><b>29,00,000</b></td> </tr> </tbody> </table> <p><b>Other information:</b> Earnings before interest and taxes (EBIT)Rs.5,00,000.</p> | Liabilities           | Amount (Rs.)     | Assets      | Amount (Rs.) | Equity Share Capital | 10,00,000 | Goodwill     | 5,00,000 | 6% Preference Share Capital | 5,00,000 | Plant & Machinery | 6,00,000 | General Reserve | 1,00,000 | Land & Building | 7,00,000 | Surplus (P&L A/c) | 4,00,000 | Furniture | 1,00,000 | 12% Debentures | 5,00,000        | Stock- in -Trade | 6,00,000        | Creditors          | 80,000 | Bills Receivables | 30,000 | Bank Overdraft              | 20,000 | Debtors            | 1,50,000 | Bills Payable | 1,24,000 | Bank Balance | 2,00,000 | Provision for Taxation | 1,76,000      | Marketable Securities | 20,000        |       | <b>29,00,000</b> |  | <b>29,00,000</b> | Apply | CMBB02.12 |
| Liabilities                 | Amount (Rs.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Assets                | Amount (Rs.)     |             |              |                      |           |              |          |                             |          |                   |          |                 |          |                 |          |                   |          |           |          |                |                 |                  |                 |                    |        |                   |        |                             |        |                    |          |               |          |              |          |                        |               |                       |               |       |                  |  |                  |       |           |
| Equity Share Capital        | 10,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Goodwill              | 5,00,000         |             |              |                      |           |              |          |                             |          |                   |          |                 |          |                 |          |                   |          |           |          |                |                 |                  |                 |                    |        |                   |        |                             |        |                    |          |               |          |              |          |                        |               |                       |               |       |                  |  |                  |       |           |
| 6% Preference Share Capital | 5,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Plant & Machinery     | 6,00,000         |             |              |                      |           |              |          |                             |          |                   |          |                 |          |                 |          |                   |          |           |          |                |                 |                  |                 |                    |        |                   |        |                             |        |                    |          |               |          |              |          |                        |               |                       |               |       |                  |  |                  |       |           |
| General Reserve             | 1,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Land & Building       | 7,00,000         |             |              |                      |           |              |          |                             |          |                   |          |                 |          |                 |          |                   |          |           |          |                |                 |                  |                 |                    |        |                   |        |                             |        |                    |          |               |          |              |          |                        |               |                       |               |       |                  |  |                  |       |           |
| Surplus (P&L A/c)           | 4,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Furniture             | 1,00,000         |             |              |                      |           |              |          |                             |          |                   |          |                 |          |                 |          |                   |          |           |          |                |                 |                  |                 |                    |        |                   |        |                             |        |                    |          |               |          |              |          |                        |               |                       |               |       |                  |  |                  |       |           |
| 12% Debentures              | 5,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Stock- in -Trade      | 6,00,000         |             |              |                      |           |              |          |                             |          |                   |          |                 |          |                 |          |                   |          |           |          |                |                 |                  |                 |                    |        |                   |        |                             |        |                    |          |               |          |              |          |                        |               |                       |               |       |                  |  |                  |       |           |
| Creditors                   | 80,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Bills Receivables     | 30,000           |             |              |                      |           |              |          |                             |          |                   |          |                 |          |                 |          |                   |          |           |          |                |                 |                  |                 |                    |        |                   |        |                             |        |                    |          |               |          |              |          |                        |               |                       |               |       |                  |  |                  |       |           |
| Bank Overdraft              | 20,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Debtors               | 1,50,000         |             |              |                      |           |              |          |                             |          |                   |          |                 |          |                 |          |                   |          |           |          |                |                 |                  |                 |                    |        |                   |        |                             |        |                    |          |               |          |              |          |                        |               |                       |               |       |                  |  |                  |       |           |
| Bills Payable               | 1,24,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Bank Balance          | 2,00,000         |             |              |                      |           |              |          |                             |          |                   |          |                 |          |                 |          |                   |          |           |          |                |                 |                  |                 |                    |        |                   |        |                             |        |                    |          |               |          |              |          |                        |               |                       |               |       |                  |  |                  |       |           |
| Provision for Taxation      | 1,76,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Marketable Securities | 20,000           |             |              |                      |           |              |          |                             |          |                   |          |                 |          |                 |          |                   |          |           |          |                |                 |                  |                 |                    |        |                   |        |                             |        |                    |          |               |          |              |          |                        |               |                       |               |       |                  |  |                  |       |           |
|                             | <b>29,00,000</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                       | <b>29,00,000</b> |             |              |                      |           |              |          |                             |          |                   |          |                 |          |                 |          |                   |          |           |          |                |                 |                  |                 |                    |        |                   |        |                             |        |                    |          |               |          |              |          |                        |               |                       |               |       |                  |  |                  |       |           |

| 4.                 | <p>You are required to calculate the following ratios from the above information.</p> <p>(i) Debtors turnover ratio<br/> (ii) Creditors turnover ratio<br/> (iii) Inventory turnover ratio.</p> <p style="text-align: center;"><b>Balance Sheet of M/s. XYZ Ltd as on 31<sup>st</sup> March, 2003.</b></p> <table border="1" data-bbox="308 409 1071 850"> <thead> <tr> <th>Liabilities</th> <th>Amount (Rs.)</th> <th>Assets</th> <th>Amount(Rs.)</th> </tr> </thead> <tbody> <tr> <td>Capital</td> <td>15,00,000</td> <td>Fixed Assets</td> <td>16,50,000</td> </tr> <tr> <td>Reserves &amp; Surplus</td> <td>6,00,000</td> <td>Closing Stock</td> <td>9,10,000</td> </tr> <tr> <td>Debentures</td> <td>5,00,000</td> <td>Trade Debtors</td> <td>12,40,000</td> </tr> <tr> <td>Bank Overdraft</td> <td>2,00,000</td> <td>Investments (Short-Term)</td> <td>1,60,000</td> </tr> <tr> <td>Trade Creditors</td> <td>12,00,000</td> <td>Cash –in-hand</td> <td>40,000</td> </tr> <tr> <td></td> <td>40,00,000</td> <td></td> <td>40,00,000</td> </tr> </tbody> </table> <p>Other Information:</p> <ol style="list-style-type: none"> <li>1. Annual credit sales amounted to Rs. 74,40,000.</li> <li>2. Gross profit Rs. 7,44,000.</li> <li>3. Annual credit purchases Rs.24,00,000.</li> </ol> | Liabilities              | Amount (Rs.) | Assets | Amount(Rs.) | Capital | 15,00,000 | Fixed Assets | 16,50,000 | Reserves & Surplus | 6,00,000 | Closing Stock | 9,10,000 | Debentures | 5,00,000 | Trade Debtors | 12,40,000 | Bank Overdraft | 2,00,000 | Investments (Short-Term) | 1,60,000 | Trade Creditors | 12,00,000 | Cash –in-hand | 40,000 |  | 40,00,000 |  | 40,00,000 | Apply | CMBB02.12 |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------|--------|-------------|---------|-----------|--------------|-----------|--------------------|----------|---------------|----------|------------|----------|---------------|-----------|----------------|----------|--------------------------|----------|-----------------|-----------|---------------|--------|--|-----------|--|-----------|-------|-----------|
| Liabilities        | Amount (Rs.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Assets                   | Amount(Rs.)  |        |             |         |           |              |           |                    |          |               |          |            |          |               |           |                |          |                          |          |                 |           |               |        |  |           |  |           |       |           |
| Capital            | 15,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Fixed Assets             | 16,50,000    |        |             |         |           |              |           |                    |          |               |          |            |          |               |           |                |          |                          |          |                 |           |               |        |  |           |  |           |       |           |
| Reserves & Surplus | 6,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Closing Stock            | 9,10,000     |        |             |         |           |              |           |                    |          |               |          |            |          |               |           |                |          |                          |          |                 |           |               |        |  |           |  |           |       |           |
| Debentures         | 5,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Trade Debtors            | 12,40,000    |        |             |         |           |              |           |                    |          |               |          |            |          |               |           |                |          |                          |          |                 |           |               |        |  |           |  |           |       |           |
| Bank Overdraft     | 2,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Investments (Short-Term) | 1,60,000     |        |             |         |           |              |           |                    |          |               |          |            |          |               |           |                |          |                          |          |                 |           |               |        |  |           |  |           |       |           |
| Trade Creditors    | 12,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Cash –in-hand            | 40,000       |        |             |         |           |              |           |                    |          |               |          |            |          |               |           |                |          |                          |          |                 |           |               |        |  |           |  |           |       |           |
|                    | 40,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                          | 40,00,000    |        |             |         |           |              |           |                    |          |               |          |            |          |               |           |                |          |                          |          |                 |           |               |        |  |           |  |           |       |           |

| 5.                        | <p>You are required to compute the following ratios from the above information.</p> <p>i)Gross profit ratio (ii) Net profit ratio (iii) Operating ratio</p> <p>(iv) Operating profit ratio (v) Cost of goods sold ratio.</p> <p>Trading and Profit and Loss Account for the year ending 31-12-2010</p> <p><b>Dr</b></p> <p><b>Cr</b></p> <table border="1" data-bbox="284 399 1068 1108"> <thead> <tr> <th>Particulars</th> <th>Amount<br/>Rs.</th> <th>Particulars</th> <th>Amount<br/>Rs.</th> </tr> </thead> <tbody> <tr> <td>To Opening Stock</td> <td>76,250</td> <td>By Net sales</td> <td>5,00,000</td> </tr> <tr> <td>To Purchases</td> <td>3,15,250</td> <td>By Closing stock</td> <td>98,500</td> </tr> <tr> <td>To Wages</td> <td>7,000</td> <td></td> <td></td> </tr> <tr> <td>To Gross profit</td> <td>2,00,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td><b>5,98,500</b></td> <td></td> <td><b>5,98,500</b></td> </tr> <tr> <td>To Admn. Expenses</td> <td>1,01,000</td> <td>By Gross profit</td> <td>2,00,000</td> </tr> <tr> <td>To Selling Expenses</td> <td>12,000</td> <td>By Non-operating Income</td> <td>6,000</td> </tr> <tr> <td>To Non-operating Expenses</td> <td>9,000</td> <td></td> <td></td> </tr> <tr> <td>To Net profit</td> <td>84,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td><b>2,06,000</b></td> <td></td> <td><b>2,06,000</b></td> </tr> </tbody> </table> | Particulars             | Amount<br>Rs.   | Particulars | Amount<br>Rs. | To Opening Stock | 76,250 | By Net sales | 5,00,000 | To Purchases | 3,15,250 | By Closing stock | 98,500 | To Wages | 7,000 |  |  | To Gross profit | 2,00,000 |  |  |  | <b>5,98,500</b> |  | <b>5,98,500</b> | To Admn. Expenses | 1,01,000 | By Gross profit | 2,00,000 | To Selling Expenses | 12,000 | By Non-operating Income | 6,000 | To Non-operating Expenses | 9,000 |  |  | To Net profit | 84,000 |  |  |  | <b>2,06,000</b> |  | <b>2,06,000</b> | Apply | CMBB02.12 |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-----------------|-------------|---------------|------------------|--------|--------------|----------|--------------|----------|------------------|--------|----------|-------|--|--|-----------------|----------|--|--|--|-----------------|--|-----------------|-------------------|----------|-----------------|----------|---------------------|--------|-------------------------|-------|---------------------------|-------|--|--|---------------|--------|--|--|--|-----------------|--|-----------------|-------|-----------|
| Particulars               | Amount<br>Rs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Particulars             | Amount<br>Rs.   |             |               |                  |        |              |          |              |          |                  |        |          |       |  |  |                 |          |  |  |  |                 |  |                 |                   |          |                 |          |                     |        |                         |       |                           |       |  |  |               |        |  |  |  |                 |  |                 |       |           |
| To Opening Stock          | 76,250                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | By Net sales            | 5,00,000        |             |               |                  |        |              |          |              |          |                  |        |          |       |  |  |                 |          |  |  |  |                 |  |                 |                   |          |                 |          |                     |        |                         |       |                           |       |  |  |               |        |  |  |  |                 |  |                 |       |           |
| To Purchases              | 3,15,250                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | By Closing stock        | 98,500          |             |               |                  |        |              |          |              |          |                  |        |          |       |  |  |                 |          |  |  |  |                 |  |                 |                   |          |                 |          |                     |        |                         |       |                           |       |  |  |               |        |  |  |  |                 |  |                 |       |           |
| To Wages                  | 7,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                         |                 |             |               |                  |        |              |          |              |          |                  |        |          |       |  |  |                 |          |  |  |  |                 |  |                 |                   |          |                 |          |                     |        |                         |       |                           |       |  |  |               |        |  |  |  |                 |  |                 |       |           |
| To Gross profit           | 2,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                         |                 |             |               |                  |        |              |          |              |          |                  |        |          |       |  |  |                 |          |  |  |  |                 |  |                 |                   |          |                 |          |                     |        |                         |       |                           |       |  |  |               |        |  |  |  |                 |  |                 |       |           |
|                           | <b>5,98,500</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                         | <b>5,98,500</b> |             |               |                  |        |              |          |              |          |                  |        |          |       |  |  |                 |          |  |  |  |                 |  |                 |                   |          |                 |          |                     |        |                         |       |                           |       |  |  |               |        |  |  |  |                 |  |                 |       |           |
| To Admn. Expenses         | 1,01,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | By Gross profit         | 2,00,000        |             |               |                  |        |              |          |              |          |                  |        |          |       |  |  |                 |          |  |  |  |                 |  |                 |                   |          |                 |          |                     |        |                         |       |                           |       |  |  |               |        |  |  |  |                 |  |                 |       |           |
| To Selling Expenses       | 12,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | By Non-operating Income | 6,000           |             |               |                  |        |              |          |              |          |                  |        |          |       |  |  |                 |          |  |  |  |                 |  |                 |                   |          |                 |          |                     |        |                         |       |                           |       |  |  |               |        |  |  |  |                 |  |                 |       |           |
| To Non-operating Expenses | 9,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                         |                 |             |               |                  |        |              |          |              |          |                  |        |          |       |  |  |                 |          |  |  |  |                 |  |                 |                   |          |                 |          |                     |        |                         |       |                           |       |  |  |               |        |  |  |  |                 |  |                 |       |           |
| To Net profit             | 84,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                         |                 |             |               |                  |        |              |          |              |          |                  |        |          |       |  |  |                 |          |  |  |  |                 |  |                 |                   |          |                 |          |                     |        |                         |       |                           |       |  |  |               |        |  |  |  |                 |  |                 |       |           |
|                           | <b>2,06,000</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                         | <b>2,06,000</b> |             |               |                  |        |              |          |              |          |                  |        |          |       |  |  |                 |          |  |  |  |                 |  |                 |                   |          |                 |          |                     |        |                         |       |                           |       |  |  |               |        |  |  |  |                 |  |                 |       |           |



| 6                         | <p>You are required to compute the following ratios from the above information.</p> <p>i)Gross profit ratio (ii) Net profit ratio (iii) Operating ratio (iv) Operating profit ratio (v) Cost of goods sold ratio.</p> <p>Trading and Profit and Loss Account for the year ending 31-12-2010</p> <p><b>Dr</b></p> <p><b>Cr</b></p> <table border="1" data-bbox="284 399 1055 1102"> <thead> <tr> <th>Particulars</th> <th>Amount Rs.</th> <th>Particulars</th> <th>Amount Rs.</th> </tr> </thead> <tbody> <tr> <td>To Opening Stock</td> <td>76,250</td> <td>By Net sales</td> <td>5,00,000</td> </tr> <tr> <td>To Purchases</td> <td>3,15,250</td> <td>By Closing stock</td> <td>98,500</td> </tr> <tr> <td>To Wages</td> <td>7,000</td> <td></td> <td></td> </tr> <tr> <td>To Gross profit</td> <td>2,00,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td><b>5,98,500</b></td> <td></td> <td><b>5,98,500</b></td> </tr> <tr> <td>To Admn. Expenses</td> <td>1,01,000</td> <td>By Gross profit</td> <td>2,00,000</td> </tr> <tr> <td>To Selling Expenses</td> <td>12,000</td> <td>By Non-operating Income</td> <td>6,000</td> </tr> <tr> <td>To Non-operating Expenses</td> <td>9,000</td> <td></td> <td></td> </tr> <tr> <td>To Net profit</td> <td>84,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td><b>2,06,000</b></td> <td></td> <td><b>2,06,000</b></td> </tr> </tbody> </table> | Particulars             | Amount Rs.      | Particulars | Amount Rs. | To Opening Stock | 76,250 | By Net sales | 5,00,000 | To Purchases | 3,15,250 | By Closing stock | 98,500 | To Wages | 7,000 |  |  | To Gross profit | 2,00,000 |  |  |  | <b>5,98,500</b> |  | <b>5,98,500</b> | To Admn. Expenses | 1,01,000 | By Gross profit | 2,00,000 | To Selling Expenses | 12,000 | By Non-operating Income | 6,000 | To Non-operating Expenses | 9,000 |  |  | To Net profit | 84,000 |  |  |  | <b>2,06,000</b> |  | <b>2,06,000</b> | Apply | CMBB02.12 |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-----------------|-------------|------------|------------------|--------|--------------|----------|--------------|----------|------------------|--------|----------|-------|--|--|-----------------|----------|--|--|--|-----------------|--|-----------------|-------------------|----------|-----------------|----------|---------------------|--------|-------------------------|-------|---------------------------|-------|--|--|---------------|--------|--|--|--|-----------------|--|-----------------|-------|-----------|
| Particulars               | Amount Rs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Particulars             | Amount Rs.      |             |            |                  |        |              |          |              |          |                  |        |          |       |  |  |                 |          |  |  |  |                 |  |                 |                   |          |                 |          |                     |        |                         |       |                           |       |  |  |               |        |  |  |  |                 |  |                 |       |           |
| To Opening Stock          | 76,250                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | By Net sales            | 5,00,000        |             |            |                  |        |              |          |              |          |                  |        |          |       |  |  |                 |          |  |  |  |                 |  |                 |                   |          |                 |          |                     |        |                         |       |                           |       |  |  |               |        |  |  |  |                 |  |                 |       |           |
| To Purchases              | 3,15,250                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | By Closing stock        | 98,500          |             |            |                  |        |              |          |              |          |                  |        |          |       |  |  |                 |          |  |  |  |                 |  |                 |                   |          |                 |          |                     |        |                         |       |                           |       |  |  |               |        |  |  |  |                 |  |                 |       |           |
| To Wages                  | 7,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                         |                 |             |            |                  |        |              |          |              |          |                  |        |          |       |  |  |                 |          |  |  |  |                 |  |                 |                   |          |                 |          |                     |        |                         |       |                           |       |  |  |               |        |  |  |  |                 |  |                 |       |           |
| To Gross profit           | 2,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                         |                 |             |            |                  |        |              |          |              |          |                  |        |          |       |  |  |                 |          |  |  |  |                 |  |                 |                   |          |                 |          |                     |        |                         |       |                           |       |  |  |               |        |  |  |  |                 |  |                 |       |           |
|                           | <b>5,98,500</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                         | <b>5,98,500</b> |             |            |                  |        |              |          |              |          |                  |        |          |       |  |  |                 |          |  |  |  |                 |  |                 |                   |          |                 |          |                     |        |                         |       |                           |       |  |  |               |        |  |  |  |                 |  |                 |       |           |
| To Admn. Expenses         | 1,01,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | By Gross profit         | 2,00,000        |             |            |                  |        |              |          |              |          |                  |        |          |       |  |  |                 |          |  |  |  |                 |  |                 |                   |          |                 |          |                     |        |                         |       |                           |       |  |  |               |        |  |  |  |                 |  |                 |       |           |
| To Selling Expenses       | 12,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | By Non-operating Income | 6,000           |             |            |                  |        |              |          |              |          |                  |        |          |       |  |  |                 |          |  |  |  |                 |  |                 |                   |          |                 |          |                     |        |                         |       |                           |       |  |  |               |        |  |  |  |                 |  |                 |       |           |
| To Non-operating Expenses | 9,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                         |                 |             |            |                  |        |              |          |              |          |                  |        |          |       |  |  |                 |          |  |  |  |                 |  |                 |                   |          |                 |          |                     |        |                         |       |                           |       |  |  |               |        |  |  |  |                 |  |                 |       |           |
| To Net profit             | 84,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                         |                 |             |            |                  |        |              |          |              |          |                  |        |          |       |  |  |                 |          |  |  |  |                 |  |                 |                   |          |                 |          |                     |        |                         |       |                           |       |  |  |               |        |  |  |  |                 |  |                 |       |           |
|                           | <b>2,06,000</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                         | <b>2,06,000</b> |             |            |                  |        |              |          |              |          |                  |        |          |       |  |  |                 |          |  |  |  |                 |  |                 |                   |          |                 |          |                     |        |                         |       |                           |       |  |  |               |        |  |  |  |                 |  |                 |       |           |
| 7.                        | Explain the meaning and formulas of i) Gross profit ratio ii) Net profit ratio iii) Operating ratio iv) Operating profit ratio.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Remember                | CMBB02.12       |             |            |                  |        |              |          |              |          |                  |        |          |       |  |  |                 |          |  |  |  |                 |  |                 |                   |          |                 |          |                     |        |                         |       |                           |       |  |  |               |        |  |  |  |                 |  |                 |       |           |
| 8.                        | Discuss the meaning and formulas of i) Current ratio ii) Quick ratio iii) Absolute Liquidity ratio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Understand              | CMBB02.12       |             |            |                  |        |              |          |              |          |                  |        |          |       |  |  |                 |          |  |  |  |                 |  |                 |                   |          |                 |          |                     |        |                         |       |                           |       |  |  |               |        |  |  |  |                 |  |                 |       |           |
| 9.                        | Explain the meaning and formulas of i) Total assets turnover ratio ii) Debtors turnover ratio iii) Inventory turnover ratio iv) Creditors turnover ratio.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Understand              | CMBB02.12       |             |            |                  |        |              |          |              |          |                  |        |          |       |  |  |                 |          |  |  |  |                 |  |                 |                   |          |                 |          |                     |        |                         |       |                           |       |  |  |               |        |  |  |  |                 |  |                 |       |           |
| 10.                       | Examine the meaning and formulas of i) Debt equity ratio ii) Proprietary ratio iii) Fixed assets ratio.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Understand              | CMBB02.12       |             |            |                  |        |              |          |              |          |                  |        |          |       |  |  |                 |          |  |  |  |                 |  |                 |                   |          |                 |          |                     |        |                         |       |                           |       |  |  |               |        |  |  |  |                 |  |                 |       |           |
| 11.                       | Examine the meaning, advantages and limitations of financial statements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Remember                | CMBB02.12       |             |            |                  |        |              |          |              |          |                  |        |          |       |  |  |                 |          |  |  |  |                 |  |                 |                   |          |                 |          |                     |        |                         |       |                           |       |  |  |               |        |  |  |  |                 |  |                 |       |           |

| 12.                           | <p><b>Prepare a comparative income statement for the year ending 31-03-2007 from the following income statement:</b></p> <table border="1" data-bbox="284 247 1068 856"> <thead> <tr> <th>Particulars</th> <th>2006<br/>Amount<br/>Rs.</th> <th>2007<br/>Amount<br/>Rs.</th> </tr> </thead> <tbody> <tr> <td>Net Sales</td> <td>45,000</td> <td>40,000</td> </tr> <tr> <td>Less: Cost of goods sold</td> <td>35,500</td> <td>31,250</td> </tr> <tr> <td>Gross profit</td> <td>9,500</td> <td>8,750</td> </tr> <tr> <td>Less: Operating Expenses</td> <td>6,200</td> <td>5,450</td> </tr> <tr> <td>Add: Operating incomes</td> <td>2,000</td> <td>3,000</td> </tr> <tr> <td>Net profit before tax(PBT)</td> <td>5,300</td> <td>6,300</td> </tr> <tr> <td>Less: Tax @ 50%</td> <td>2,650</td> <td>3,150</td> </tr> <tr> <td>To Net profit after tax (PAT)</td> <td>2,650</td> <td>3,150</td> </tr> </tbody> </table> | Particulars           | 2006<br>Amount<br>Rs. | 2007<br>Amount<br>Rs. | Net Sales | 45,000                   | 40,000 | Less: Cost of goods sold | 35,500 | 31,250                   | Gross profit | 9,500                  | 8,750 | Less: Operating Expenses   | 6,200  | 5,450          | Add: Operating incomes | 2,000                         | 3,000 | Net profit before tax(PBT) | 5,300     | 6,300 | Less: Tax @ 50% | 2,650 | 3,150 | To Net profit after tax (PAT) | 2,650 | 3,150 | Apply | CMBB02.11 |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------|--------------------------|--------|--------------------------|--------|--------------------------|--------------|------------------------|-------|----------------------------|--------|----------------|------------------------|-------------------------------|-------|----------------------------|-----------|-------|-----------------|-------|-------|-------------------------------|-------|-------|-------|-----------|
| Particulars                   | 2006<br>Amount<br>Rs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 2007<br>Amount<br>Rs. |                       |                       |           |                          |        |                          |        |                          |              |                        |       |                            |        |                |                        |                               |       |                            |           |       |                 |       |       |                               |       |       |       |           |
| Net Sales                     | 45,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 40,000                |                       |                       |           |                          |        |                          |        |                          |              |                        |       |                            |        |                |                        |                               |       |                            |           |       |                 |       |       |                               |       |       |       |           |
| Less: Cost of goods sold      | 35,500                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 31,250                |                       |                       |           |                          |        |                          |        |                          |              |                        |       |                            |        |                |                        |                               |       |                            |           |       |                 |       |       |                               |       |       |       |           |
| Gross profit                  | 9,500                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 8,750                 |                       |                       |           |                          |        |                          |        |                          |              |                        |       |                            |        |                |                        |                               |       |                            |           |       |                 |       |       |                               |       |       |       |           |
| Less: Operating Expenses      | 6,200                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 5,450                 |                       |                       |           |                          |        |                          |        |                          |              |                        |       |                            |        |                |                        |                               |       |                            |           |       |                 |       |       |                               |       |       |       |           |
| Add: Operating incomes        | 2,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 3,000                 |                       |                       |           |                          |        |                          |        |                          |              |                        |       |                            |        |                |                        |                               |       |                            |           |       |                 |       |       |                               |       |       |       |           |
| Net profit before tax(PBT)    | 5,300                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 6,300                 |                       |                       |           |                          |        |                          |        |                          |              |                        |       |                            |        |                |                        |                               |       |                            |           |       |                 |       |       |                               |       |       |       |           |
| Less: Tax @ 50%               | 2,650                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 3,150                 |                       |                       |           |                          |        |                          |        |                          |              |                        |       |                            |        |                |                        |                               |       |                            |           |       |                 |       |       |                               |       |       |       |           |
| To Net profit after tax (PAT) | 2,650                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 3,150                 |                       |                       |           |                          |        |                          |        |                          |              |                        |       |                            |        |                |                        |                               |       |                            |           |       |                 |       |       |                               |       |       |       |           |
| 13.                           | <p><b>Prepare a common size income statement for the year ending 31-03-2009 from the following income statement:</b></p> <table border="1" data-bbox="284 991 1047 1486"> <thead> <tr> <th>Particulars</th> <th>Amount<br/>Rs.</th> </tr> </thead> <tbody> <tr> <td>Net Sales</td> <td>50,000</td> </tr> <tr> <td>Less: Cost of goods sold</td> <td>31,250</td> </tr> <tr> <td>Gross profit</td> <td>18,750</td> </tr> <tr> <td>Less: Operating Expenses</td> <td>5,450</td> </tr> <tr> <td>Add: Operating incomes</td> <td>3,000</td> </tr> <tr> <td>Net profit before tax(PBT)</td> <td>16,300</td> </tr> <tr> <td>Less: Tax @50%</td> <td>8,150</td> </tr> <tr> <td>To Net profit after tax (PAT)</td> <td>8,150</td> </tr> </tbody> </table>                                                                                                                                                                   | Particulars           | Amount<br>Rs.         | Net Sales             | 50,000    | Less: Cost of goods sold | 31,250 | Gross profit             | 18,750 | Less: Operating Expenses | 5,450        | Add: Operating incomes | 3,000 | Net profit before tax(PBT) | 16,300 | Less: Tax @50% | 8,150                  | To Net profit after tax (PAT) | 8,150 | Apply                      | CMBB02.11 |       |                 |       |       |                               |       |       |       |           |
| Particulars                   | Amount<br>Rs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                       |                       |                       |           |                          |        |                          |        |                          |              |                        |       |                            |        |                |                        |                               |       |                            |           |       |                 |       |       |                               |       |       |       |           |
| Net Sales                     | 50,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                       |                       |                       |           |                          |        |                          |        |                          |              |                        |       |                            |        |                |                        |                               |       |                            |           |       |                 |       |       |                               |       |       |       |           |
| Less: Cost of goods sold      | 31,250                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                       |                       |                       |           |                          |        |                          |        |                          |              |                        |       |                            |        |                |                        |                               |       |                            |           |       |                 |       |       |                               |       |       |       |           |
| Gross profit                  | 18,750                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                       |                       |                       |           |                          |        |                          |        |                          |              |                        |       |                            |        |                |                        |                               |       |                            |           |       |                 |       |       |                               |       |       |       |           |
| Less: Operating Expenses      | 5,450                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                       |                       |                       |           |                          |        |                          |        |                          |              |                        |       |                            |        |                |                        |                               |       |                            |           |       |                 |       |       |                               |       |       |       |           |
| Add: Operating incomes        | 3,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                       |                       |                       |           |                          |        |                          |        |                          |              |                        |       |                            |        |                |                        |                               |       |                            |           |       |                 |       |       |                               |       |       |       |           |
| Net profit before tax(PBT)    | 16,300                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                       |                       |                       |           |                          |        |                          |        |                          |              |                        |       |                            |        |                |                        |                               |       |                            |           |       |                 |       |       |                               |       |       |       |           |
| Less: Tax @50%                | 8,150                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                       |                       |                       |           |                          |        |                          |        |                          |              |                        |       |                            |        |                |                        |                               |       |                            |           |       |                 |       |       |                               |       |       |       |           |
| To Net profit after tax (PAT) | 8,150                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                       |                       |                       |           |                          |        |                          |        |                          |              |                        |       |                            |        |                |                        |                               |       |                            |           |       |                 |       |       |                               |       |       |       |           |

| 14.                  | <p>Prepare common size balance sheet for the year ended 31-12-2010 from the following balance sheet:</p> <p style="text-align: center;"><b>Balance Sheet of M/s. XYZ Ltd as on 31<sup>st</sup> March, 2003.</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Liabilities</th> <th style="width: 15%;">Amount (Rs.)</th> <th style="width: 25%;">Assets</th> <th style="width: 35%;">Amount(Rs.)</th> </tr> </thead> <tbody> <tr> <td>Capital</td> <td>1,65,000</td> <td>Fixed Assets</td> <td>1,55,000</td> </tr> <tr> <td>Reserves &amp; Surplus</td> <td>22,000</td> <td>Closing Stock</td> <td>17,000</td> </tr> <tr> <td>Loans (long term)</td> <td>58,000</td> <td>Trade Debtors</td> <td>30,000</td> </tr> <tr> <td>Outstanding expenses</td> <td>20,000</td> <td>Prepaid expenses</td> <td>60,000</td> </tr> <tr> <td></td> <td></td> <td>Other current assets</td> <td>5,000</td> </tr> <tr> <td>Trade Creditors</td> <td>10,000</td> <td>Cash –in-hand</td> <td>8,000</td> </tr> <tr> <td></td> <td>2,75,000</td> <td></td> <td>2,75,000</td> </tr> </tbody> </table>                        | Liabilities          | Amount (Rs.)            | Assets     | Amount(Rs.) | Capital    | 1,65,000   | Fixed Assets | 1,55,000 | Reserves & Surplus | 22,000   | Closing Stock | 17,000 | Loans (long term) | 58,000 | Trade Debtors | 30,000                  | Outstanding expenses | 20,000 | Prepaid expenses | 60,000 |        |       | Other current assets | 5,000  | Trade Creditors | 10,000 | Cash –in-hand | 8,000          |        | 2,75,000 |  | 2,75,000 | Apply | CMBB02.11        |        |        |  |  |  |      |       |       |       |           |
|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------------|------------|-------------|------------|------------|--------------|----------|--------------------|----------|---------------|--------|-------------------|--------|---------------|-------------------------|----------------------|--------|------------------|--------|--------|-------|----------------------|--------|-----------------|--------|---------------|----------------|--------|----------|--|----------|-------|------------------|--------|--------|--|--|--|------|-------|-------|-------|-----------|
| Liabilities          | Amount (Rs.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Assets               | Amount(Rs.)             |            |             |            |            |              |          |                    |          |               |        |                   |        |               |                         |                      |        |                  |        |        |       |                      |        |                 |        |               |                |        |          |  |          |       |                  |        |        |  |  |  |      |       |       |       |           |
| Capital              | 1,65,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Fixed Assets         | 1,55,000                |            |             |            |            |              |          |                    |          |               |        |                   |        |               |                         |                      |        |                  |        |        |       |                      |        |                 |        |               |                |        |          |  |          |       |                  |        |        |  |  |  |      |       |       |       |           |
| Reserves & Surplus   | 22,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Closing Stock        | 17,000                  |            |             |            |            |              |          |                    |          |               |        |                   |        |               |                         |                      |        |                  |        |        |       |                      |        |                 |        |               |                |        |          |  |          |       |                  |        |        |  |  |  |      |       |       |       |           |
| Loans (long term)    | 58,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Trade Debtors        | 30,000                  |            |             |            |            |              |          |                    |          |               |        |                   |        |               |                         |                      |        |                  |        |        |       |                      |        |                 |        |               |                |        |          |  |          |       |                  |        |        |  |  |  |      |       |       |       |           |
| Outstanding expenses | 20,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Prepaid expenses     | 60,000                  |            |             |            |            |              |          |                    |          |               |        |                   |        |               |                         |                      |        |                  |        |        |       |                      |        |                 |        |               |                |        |          |  |          |       |                  |        |        |  |  |  |      |       |       |       |           |
|                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Other current assets | 5,000                   |            |             |            |            |              |          |                    |          |               |        |                   |        |               |                         |                      |        |                  |        |        |       |                      |        |                 |        |               |                |        |          |  |          |       |                  |        |        |  |  |  |      |       |       |       |           |
| Trade Creditors      | 10,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Cash –in-hand        | 8,000                   |            |             |            |            |              |          |                    |          |               |        |                   |        |               |                         |                      |        |                  |        |        |       |                      |        |                 |        |               |                |        |          |  |          |       |                  |        |        |  |  |  |      |       |       |       |           |
|                      | 2,75,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                      | 2,75,000                |            |             |            |            |              |          |                    |          |               |        |                   |        |               |                         |                      |        |                  |        |        |       |                      |        |                 |        |               |                |        |          |  |          |       |                  |        |        |  |  |  |      |       |       |       |           |
| 15.                  | <p>Prepare comparative balance sheet of XYZ Ltd., for the year ended 31<sup>st</sup> December 2012 from the following balance sheets:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Liabilities</th> <th style="width: 10%;">2011 (Rs.)</th> <th style="width: 10%;">2012 (Rs.)</th> <th style="width: 15%;">Assets</th> <th style="width: 10%;">2011 (Rs.)</th> <th style="width: 10%;">2012 (Rs.)</th> </tr> </thead> <tbody> <tr> <td>Capital</td> <td>70,000</td> <td>60,000</td> <td>Building</td> <td>50,000</td> <td>45,000</td> </tr> <tr> <td>Creditors</td> <td>35,000</td> <td>25,000</td> <td>Investments (Long term)</td> <td>6,000</td> <td>3,000</td> </tr> <tr> <td>Bank Loan</td> <td>25,000</td> <td>15,000</td> <td>Stock</td> <td>25,000</td> <td>18,500</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Sundry Debtors</td> <td>29,000</td> <td>13,500</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Loans &amp; Advances</td> <td>15,000</td> <td>15,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Cash</td> <td>5,000</td> <td>5,000</td> </tr> </tbody> </table> | Liabilities          | 2011 (Rs.)              | 2012 (Rs.) | Assets      | 2011 (Rs.) | 2012 (Rs.) | Capital      | 70,000   | 60,000             | Building | 50,000        | 45,000 | Creditors         | 35,000 | 25,000        | Investments (Long term) | 6,000                | 3,000  | Bank Loan        | 25,000 | 15,000 | Stock | 25,000               | 18,500 |                 |        |               | Sundry Debtors | 29,000 | 13,500   |  |          |       | Loans & Advances | 15,000 | 15,000 |  |  |  | Cash | 5,000 | 5,000 | Apply | CMBB02.11 |
| Liabilities          | 2011 (Rs.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 2012 (Rs.)           | Assets                  | 2011 (Rs.) | 2012 (Rs.)  |            |            |              |          |                    |          |               |        |                   |        |               |                         |                      |        |                  |        |        |       |                      |        |                 |        |               |                |        |          |  |          |       |                  |        |        |  |  |  |      |       |       |       |           |
| Capital              | 70,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 60,000               | Building                | 50,000     | 45,000      |            |            |              |          |                    |          |               |        |                   |        |               |                         |                      |        |                  |        |        |       |                      |        |                 |        |               |                |        |          |  |          |       |                  |        |        |  |  |  |      |       |       |       |           |
| Creditors            | 35,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 25,000               | Investments (Long term) | 6,000      | 3,000       |            |            |              |          |                    |          |               |        |                   |        |               |                         |                      |        |                  |        |        |       |                      |        |                 |        |               |                |        |          |  |          |       |                  |        |        |  |  |  |      |       |       |       |           |
| Bank Loan            | 25,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 15,000               | Stock                   | 25,000     | 18,500      |            |            |              |          |                    |          |               |        |                   |        |               |                         |                      |        |                  |        |        |       |                      |        |                 |        |               |                |        |          |  |          |       |                  |        |        |  |  |  |      |       |       |       |           |
|                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                      | Sundry Debtors          | 29,000     | 13,500      |            |            |              |          |                    |          |               |        |                   |        |               |                         |                      |        |                  |        |        |       |                      |        |                 |        |               |                |        |          |  |          |       |                  |        |        |  |  |  |      |       |       |       |           |
|                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                      | Loans & Advances        | 15,000     | 15,000      |            |            |              |          |                    |          |               |        |                   |        |               |                         |                      |        |                  |        |        |       |                      |        |                 |        |               |                |        |          |  |          |       |                  |        |        |  |  |  |      |       |       |       |           |
|                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                      | Cash                    | 5,000      | 5,000       |            |            |              |          |                    |          |               |        |                   |        |               |                         |                      |        |                  |        |        |       |                      |        |                 |        |               |                |        |          |  |          |       |                  |        |        |  |  |  |      |       |       |       |           |

| 16.                         | <p><b>Calculate</b> the following liquidity ratios from the following balance sheet.</p> <p>(i) Current ratio (ii) Quick ratio (iii) Absolute liquidity ratio:</p> <p>Balance Sheet of XYZ &amp; Co for the year ended 31-12-2013</p> <table border="1" data-bbox="284 325 1084 934"> <thead> <tr> <th>Liabilities</th> <th>Amount (Rs.)</th> <th>Assets</th> <th>Amount(Rs.)</th> </tr> </thead> <tbody> <tr> <td>Equity share capital</td> <td>11,00,000</td> <td>Goodwill</td> <td>6,00,000</td> </tr> <tr> <td>6% Preference Share Capital</td> <td>7,00,000</td> <td>Plant &amp; Machinery</td> <td>8,00,000</td> </tr> <tr> <td>General Reserve</td> <td>3,00,000</td> <td>Land &amp; Building</td> <td>9,00,000</td> </tr> <tr> <td>P&amp;L A/c</td> <td>5,00,000</td> <td>Furniture</td> <td>2,00,000</td> </tr> <tr> <td>12% Debentures</td> <td>7,00,000</td> <td>Inventory</td> <td>2,00,000</td> </tr> <tr> <td>Creditors</td> <td>3,80,000</td> <td>Bills Receivables</td> <td>1,00,000</td> </tr> <tr> <td>Bank O.D</td> <td>70,000</td> <td>Debtors</td> <td>8,00,000</td> </tr> <tr> <td>Bills Payable</td> <td>1,24,000</td> <td>Bank Balance</td> <td>3,00,000</td> </tr> <tr> <td>Provision for Taxation</td> <td>76,000</td> <td>Marketable Securities</td> <td>50,000</td> </tr> <tr> <td></td> <td><b>39,50,000</b></td> <td></td> <td><b>39,50,000</b></td> </tr> </tbody> </table>           | Liabilities           | Amount (Rs.)     | Assets | Amount(Rs.) | Equity share capital | 11,00,000 | Goodwill | 6,00,000 | 6% Preference Share Capital | 7,00,000 | Plant & Machinery | 8,00,000 | General Reserve | 3,00,000 | Land & Building | 9,00,000  | P&L A/c | 5,00,000 | Furniture | 2,00,000 | 12% Debentures | 7,00,000 | Inventory | 2,00,000 | Creditors | 3,80,000 | Bills Receivables | 1,00,000 | Bank O.D | 70,000   | Debtors | 8,00,000 | Bills Payable | 1,24,000 | Bank Balance | 3,00,000 | Provision for Taxation | 76,000   | Marketable Securities | 50,000   |  | <b>39,50,000</b> |  | <b>39,50,000</b> | Apply | CMBB02.12 |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------|--------|-------------|----------------------|-----------|----------|----------|-----------------------------|----------|-------------------|----------|-----------------|----------|-----------------|-----------|---------|----------|-----------|----------|----------------|----------|-----------|----------|-----------|----------|-------------------|----------|----------|----------|---------|----------|---------------|----------|--------------|----------|------------------------|----------|-----------------------|----------|--|------------------|--|------------------|-------|-----------|
| Liabilities                 | Amount (Rs.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Assets                | Amount(Rs.)      |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |           |         |          |           |          |                |          |           |          |           |          |                   |          |          |          |         |          |               |          |              |          |                        |          |                       |          |  |                  |  |                  |       |           |
| Equity share capital        | 11,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Goodwill              | 6,00,000         |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |           |         |          |           |          |                |          |           |          |           |          |                   |          |          |          |         |          |               |          |              |          |                        |          |                       |          |  |                  |  |                  |       |           |
| 6% Preference Share Capital | 7,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Plant & Machinery     | 8,00,000         |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |           |         |          |           |          |                |          |           |          |           |          |                   |          |          |          |         |          |               |          |              |          |                        |          |                       |          |  |                  |  |                  |       |           |
| General Reserve             | 3,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Land & Building       | 9,00,000         |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |           |         |          |           |          |                |          |           |          |           |          |                   |          |          |          |         |          |               |          |              |          |                        |          |                       |          |  |                  |  |                  |       |           |
| P&L A/c                     | 5,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Furniture             | 2,00,000         |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |           |         |          |           |          |                |          |           |          |           |          |                   |          |          |          |         |          |               |          |              |          |                        |          |                       |          |  |                  |  |                  |       |           |
| 12% Debentures              | 7,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Inventory             | 2,00,000         |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |           |         |          |           |          |                |          |           |          |           |          |                   |          |          |          |         |          |               |          |              |          |                        |          |                       |          |  |                  |  |                  |       |           |
| Creditors                   | 3,80,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Bills Receivables     | 1,00,000         |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |           |         |          |           |          |                |          |           |          |           |          |                   |          |          |          |         |          |               |          |              |          |                        |          |                       |          |  |                  |  |                  |       |           |
| Bank O.D                    | 70,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Debtors               | 8,00,000         |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |           |         |          |           |          |                |          |           |          |           |          |                   |          |          |          |         |          |               |          |              |          |                        |          |                       |          |  |                  |  |                  |       |           |
| Bills Payable               | 1,24,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Bank Balance          | 3,00,000         |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |           |         |          |           |          |                |          |           |          |           |          |                   |          |          |          |         |          |               |          |              |          |                        |          |                       |          |  |                  |  |                  |       |           |
| Provision for Taxation      | 76,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Marketable Securities | 50,000           |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |           |         |          |           |          |                |          |           |          |           |          |                   |          |          |          |         |          |               |          |              |          |                        |          |                       |          |  |                  |  |                  |       |           |
|                             | <b>39,50,000</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                       | <b>39,50,000</b> |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |           |         |          |           |          |                |          |           |          |           |          |                   |          |          |          |         |          |               |          |              |          |                        |          |                       |          |  |                  |  |                  |       |           |
| 17.                         | <p><b>Calculate</b> the following liquidity ratios from the following balance sheet.</p> <p>(ii) Current ratio (ii) Quick ratio (iii) Absolute liquidity ratio:</p> <p>Balance Sheet of XYZ &amp; Co for the year ended 31-12-2013</p> <table border="1" data-bbox="284 1102 1084 1722"> <thead> <tr> <th>Liabilities</th> <th>Amount (Rs.)</th> <th>Assets</th> <th>Amount(Rs.)</th> </tr> </thead> <tbody> <tr> <td>Equity share capital</td> <td>13,00,000</td> <td>Goodwill</td> <td>7,00,000</td> </tr> <tr> <td>6% Preference Share Capital</td> <td>8,00,000</td> <td>Plant &amp; Machinery</td> <td>9,00,000</td> </tr> <tr> <td>General Reserve</td> <td>4,00,000</td> <td>Land &amp; Building</td> <td>10,00,000</td> </tr> <tr> <td>P&amp;L A/c</td> <td>6,00,000</td> <td>Furniture</td> <td>3,00,000</td> </tr> <tr> <td>12% Debentures</td> <td>8,00,000</td> <td>Inventory</td> <td>3,00,000</td> </tr> <tr> <td>Creditors</td> <td>3,80,000</td> <td>Bills Receivables</td> <td>2,00,000</td> </tr> <tr> <td>Bank O.D</td> <td>1,70,000</td> <td>Debtors</td> <td>9,00,000</td> </tr> <tr> <td>Bills Payable</td> <td>2,24,000</td> <td>Bank Balance</td> <td>4,00,000</td> </tr> <tr> <td>Provision for Taxation</td> <td>1,76,000</td> <td>Marketable Securities</td> <td>1,50,000</td> </tr> <tr> <td></td> <td><b>48,50,000</b></td> <td></td> <td><b>48,50,000</b></td> </tr> </tbody> </table> | Liabilities           | Amount (Rs.)     | Assets | Amount(Rs.) | Equity share capital | 13,00,000 | Goodwill | 7,00,000 | 6% Preference Share Capital | 8,00,000 | Plant & Machinery | 9,00,000 | General Reserve | 4,00,000 | Land & Building | 10,00,000 | P&L A/c | 6,00,000 | Furniture | 3,00,000 | 12% Debentures | 8,00,000 | Inventory | 3,00,000 | Creditors | 3,80,000 | Bills Receivables | 2,00,000 | Bank O.D | 1,70,000 | Debtors | 9,00,000 | Bills Payable | 2,24,000 | Bank Balance | 4,00,000 | Provision for Taxation | 1,76,000 | Marketable Securities | 1,50,000 |  | <b>48,50,000</b> |  | <b>48,50,000</b> | Apply | CMBB02.12 |
| Liabilities                 | Amount (Rs.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Assets                | Amount(Rs.)      |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |           |         |          |           |          |                |          |           |          |           |          |                   |          |          |          |         |          |               |          |              |          |                        |          |                       |          |  |                  |  |                  |       |           |
| Equity share capital        | 13,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Goodwill              | 7,00,000         |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |           |         |          |           |          |                |          |           |          |           |          |                   |          |          |          |         |          |               |          |              |          |                        |          |                       |          |  |                  |  |                  |       |           |
| 6% Preference Share Capital | 8,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Plant & Machinery     | 9,00,000         |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |           |         |          |           |          |                |          |           |          |           |          |                   |          |          |          |         |          |               |          |              |          |                        |          |                       |          |  |                  |  |                  |       |           |
| General Reserve             | 4,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Land & Building       | 10,00,000        |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |           |         |          |           |          |                |          |           |          |           |          |                   |          |          |          |         |          |               |          |              |          |                        |          |                       |          |  |                  |  |                  |       |           |
| P&L A/c                     | 6,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Furniture             | 3,00,000         |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |           |         |          |           |          |                |          |           |          |           |          |                   |          |          |          |         |          |               |          |              |          |                        |          |                       |          |  |                  |  |                  |       |           |
| 12% Debentures              | 8,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Inventory             | 3,00,000         |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |           |         |          |           |          |                |          |           |          |           |          |                   |          |          |          |         |          |               |          |              |          |                        |          |                       |          |  |                  |  |                  |       |           |
| Creditors                   | 3,80,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Bills Receivables     | 2,00,000         |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |           |         |          |           |          |                |          |           |          |           |          |                   |          |          |          |         |          |               |          |              |          |                        |          |                       |          |  |                  |  |                  |       |           |
| Bank O.D                    | 1,70,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Debtors               | 9,00,000         |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |           |         |          |           |          |                |          |           |          |           |          |                   |          |          |          |         |          |               |          |              |          |                        |          |                       |          |  |                  |  |                  |       |           |
| Bills Payable               | 2,24,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Bank Balance          | 4,00,000         |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |           |         |          |           |          |                |          |           |          |           |          |                   |          |          |          |         |          |               |          |              |          |                        |          |                       |          |  |                  |  |                  |       |           |
| Provision for Taxation      | 1,76,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Marketable Securities | 1,50,000         |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |           |         |          |           |          |                |          |           |          |           |          |                   |          |          |          |         |          |               |          |              |          |                        |          |                       |          |  |                  |  |                  |       |           |
|                             | <b>48,50,000</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                       | <b>48,50,000</b> |        |             |                      |           |          |          |                             |          |                   |          |                 |          |                 |           |         |          |           |          |                |          |           |          |           |          |                   |          |          |          |         |          |               |          |              |          |                        |          |                       |          |  |                  |  |                  |       |           |

| 18.                                  | <p><b>Calculate</b> i) Gross profit ratio ii) Net profit ratio iii) Operating ratio iv) Operating profit ratio v) Cost of goods sold ratio from the following Trading and Profit and Loss Account:</p> <p><b>Dr</b></p> <p><b>Cr</b></p> <table border="1" data-bbox="284 304 1084 903"> <thead> <tr> <th>Particulars</th> <th>Amount Rs.</th> <th>Particulars</th> <th>Amount Rs.</th> </tr> </thead> <tbody> <tr> <td>To Opening stock</td> <td>40,000</td> <td>By Net sales</td> <td>1,20,000</td> </tr> <tr> <td>To Purchases</td> <td>70,000</td> <td>By Closing stock</td> <td>30,000</td> </tr> <tr> <td>To Wages</td> <td>20,000</td> <td></td> <td></td> </tr> <tr> <td>To Gross profit</td> <td>20,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td><b>1,50,000</b></td> <td></td> <td><b>1,50,000</b></td> </tr> <tr> <td>To Office expenses</td> <td>20,000</td> <td>By Gross profit</td> <td>20,000</td> </tr> <tr> <td>To Selling and Distribution expenses</td> <td>20,000</td> <td>By Sundry receipts</td> <td>30,000</td> </tr> <tr> <td>To Net Profit</td> <td>10,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td><b>50,000</b></td> <td></td> <td><b>50,000</b></td> </tr> </tbody> </table>                                     | Particulars        | Amount Rs.      | Particulars | Amount Rs. | To Opening stock | 40,000 | By Net sales | 1,20,000 | To Purchases | 70,000 | By Closing stock | 30,000 | To Wages | 20,000 |  |  | To Gross profit | 20,000   |  |  |  | <b>1,50,000</b> |  | <b>1,50,000</b> | To Office expenses | 20,000 | By Gross profit | 20,000   | To Selling and Distribution expenses | 20,000 | By Sundry receipts | 30,000 | To Net Profit | 10,000 |  |  |  | <b>50,000</b>   |  | <b>50,000</b>   | Apply | CMBB02.12 |
|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-----------------|-------------|------------|------------------|--------|--------------|----------|--------------|--------|------------------|--------|----------|--------|--|--|-----------------|----------|--|--|--|-----------------|--|-----------------|--------------------|--------|-----------------|----------|--------------------------------------|--------|--------------------|--------|---------------|--------|--|--|--|-----------------|--|-----------------|-------|-----------|
| Particulars                          | Amount Rs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Particulars        | Amount Rs.      |             |            |                  |        |              |          |              |        |                  |        |          |        |  |  |                 |          |  |  |  |                 |  |                 |                    |        |                 |          |                                      |        |                    |        |               |        |  |  |  |                 |  |                 |       |           |
| To Opening stock                     | 40,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | By Net sales       | 1,20,000        |             |            |                  |        |              |          |              |        |                  |        |          |        |  |  |                 |          |  |  |  |                 |  |                 |                    |        |                 |          |                                      |        |                    |        |               |        |  |  |  |                 |  |                 |       |           |
| To Purchases                         | 70,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | By Closing stock   | 30,000          |             |            |                  |        |              |          |              |        |                  |        |          |        |  |  |                 |          |  |  |  |                 |  |                 |                    |        |                 |          |                                      |        |                    |        |               |        |  |  |  |                 |  |                 |       |           |
| To Wages                             | 20,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                    |                 |             |            |                  |        |              |          |              |        |                  |        |          |        |  |  |                 |          |  |  |  |                 |  |                 |                    |        |                 |          |                                      |        |                    |        |               |        |  |  |  |                 |  |                 |       |           |
| To Gross profit                      | 20,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                    |                 |             |            |                  |        |              |          |              |        |                  |        |          |        |  |  |                 |          |  |  |  |                 |  |                 |                    |        |                 |          |                                      |        |                    |        |               |        |  |  |  |                 |  |                 |       |           |
|                                      | <b>1,50,000</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                    | <b>1,50,000</b> |             |            |                  |        |              |          |              |        |                  |        |          |        |  |  |                 |          |  |  |  |                 |  |                 |                    |        |                 |          |                                      |        |                    |        |               |        |  |  |  |                 |  |                 |       |           |
| To Office expenses                   | 20,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | By Gross profit    | 20,000          |             |            |                  |        |              |          |              |        |                  |        |          |        |  |  |                 |          |  |  |  |                 |  |                 |                    |        |                 |          |                                      |        |                    |        |               |        |  |  |  |                 |  |                 |       |           |
| To Selling and Distribution expenses | 20,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | By Sundry receipts | 30,000          |             |            |                  |        |              |          |              |        |                  |        |          |        |  |  |                 |          |  |  |  |                 |  |                 |                    |        |                 |          |                                      |        |                    |        |               |        |  |  |  |                 |  |                 |       |           |
| To Net Profit                        | 10,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                    |                 |             |            |                  |        |              |          |              |        |                  |        |          |        |  |  |                 |          |  |  |  |                 |  |                 |                    |        |                 |          |                                      |        |                    |        |               |        |  |  |  |                 |  |                 |       |           |
|                                      | <b>50,000</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                    | <b>50,000</b>   |             |            |                  |        |              |          |              |        |                  |        |          |        |  |  |                 |          |  |  |  |                 |  |                 |                    |        |                 |          |                                      |        |                    |        |               |        |  |  |  |                 |  |                 |       |           |
| 19.                                  | <p><b>Calculate</b> i) Gross profit ratio ii) Net profit ratio iii) Operating ratio iv) Operating profit ratio v) Cost of goods sold ratio vi) Office Expenses Ratio from the following Trading and Profit and Loss Account:</p> <p><b>Dr</b></p> <p><b>Cr</b></p> <table border="1" data-bbox="284 1081 1084 1717"> <thead> <tr> <th>Particulars</th> <th>Amount Rs.</th> <th>Particulars</th> <th>Amount Rs.</th> </tr> </thead> <tbody> <tr> <td>To Opening stock</td> <td>50,000</td> <td>By Net sales</td> <td>2,20,000</td> </tr> <tr> <td>To Purchases</td> <td>60,000</td> <td>By Closing stock</td> <td>30,000</td> </tr> <tr> <td>To Wages</td> <td>30,000</td> <td></td> <td></td> </tr> <tr> <td>To Gross profit</td> <td>1,10,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td><b>2,50,000</b></td> <td></td> <td><b>2,50,000</b></td> </tr> <tr> <td>To Office expenses</td> <td>30,000</td> <td>By Gross profit</td> <td>1,10,000</td> </tr> <tr> <td>To Selling and Distribution expenses</td> <td>30,000</td> <td>By Sundry receipts</td> <td>40,000</td> </tr> <tr> <td>To Net Profit</td> <td>90,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td><b>1,50,000</b></td> <td></td> <td><b>1,50,000</b></td> </tr> </tbody> </table> | Particulars        | Amount Rs.      | Particulars | Amount Rs. | To Opening stock | 50,000 | By Net sales | 2,20,000 | To Purchases | 60,000 | By Closing stock | 30,000 | To Wages | 30,000 |  |  | To Gross profit | 1,10,000 |  |  |  | <b>2,50,000</b> |  | <b>2,50,000</b> | To Office expenses | 30,000 | By Gross profit | 1,10,000 | To Selling and Distribution expenses | 30,000 | By Sundry receipts | 40,000 | To Net Profit | 90,000 |  |  |  | <b>1,50,000</b> |  | <b>1,50,000</b> | Apply | CMBB02.12 |
| Particulars                          | Amount Rs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Particulars        | Amount Rs.      |             |            |                  |        |              |          |              |        |                  |        |          |        |  |  |                 |          |  |  |  |                 |  |                 |                    |        |                 |          |                                      |        |                    |        |               |        |  |  |  |                 |  |                 |       |           |
| To Opening stock                     | 50,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | By Net sales       | 2,20,000        |             |            |                  |        |              |          |              |        |                  |        |          |        |  |  |                 |          |  |  |  |                 |  |                 |                    |        |                 |          |                                      |        |                    |        |               |        |  |  |  |                 |  |                 |       |           |
| To Purchases                         | 60,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | By Closing stock   | 30,000          |             |            |                  |        |              |          |              |        |                  |        |          |        |  |  |                 |          |  |  |  |                 |  |                 |                    |        |                 |          |                                      |        |                    |        |               |        |  |  |  |                 |  |                 |       |           |
| To Wages                             | 30,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                    |                 |             |            |                  |        |              |          |              |        |                  |        |          |        |  |  |                 |          |  |  |  |                 |  |                 |                    |        |                 |          |                                      |        |                    |        |               |        |  |  |  |                 |  |                 |       |           |
| To Gross profit                      | 1,10,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                    |                 |             |            |                  |        |              |          |              |        |                  |        |          |        |  |  |                 |          |  |  |  |                 |  |                 |                    |        |                 |          |                                      |        |                    |        |               |        |  |  |  |                 |  |                 |       |           |
|                                      | <b>2,50,000</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                    | <b>2,50,000</b> |             |            |                  |        |              |          |              |        |                  |        |          |        |  |  |                 |          |  |  |  |                 |  |                 |                    |        |                 |          |                                      |        |                    |        |               |        |  |  |  |                 |  |                 |       |           |
| To Office expenses                   | 30,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | By Gross profit    | 1,10,000        |             |            |                  |        |              |          |              |        |                  |        |          |        |  |  |                 |          |  |  |  |                 |  |                 |                    |        |                 |          |                                      |        |                    |        |               |        |  |  |  |                 |  |                 |       |           |
| To Selling and Distribution expenses | 30,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | By Sundry receipts | 40,000          |             |            |                  |        |              |          |              |        |                  |        |          |        |  |  |                 |          |  |  |  |                 |  |                 |                    |        |                 |          |                                      |        |                    |        |               |        |  |  |  |                 |  |                 |       |           |
| To Net Profit                        | 90,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                    |                 |             |            |                  |        |              |          |              |        |                  |        |          |        |  |  |                 |          |  |  |  |                 |  |                 |                    |        |                 |          |                                      |        |                    |        |               |        |  |  |  |                 |  |                 |       |           |
|                                      | <b>1,50,000</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                    | <b>1,50,000</b> |             |            |                  |        |              |          |              |        |                  |        |          |        |  |  |                 |          |  |  |  |                 |  |                 |                    |        |                 |          |                                      |        |                    |        |               |        |  |  |  |                 |  |                 |       |           |

Prepared by: Dr.T. Vara lakshmi, Associate professor MBA

HOD, MBA