

(4 Hours)

[Total Marks : 100

- N.B.** (1) Question No. 1 is **compulsory**.
 (2) Attempt any **four** questions of the remaining **six** questions.
 (3) Assume **suitable** data wherever **required** and state them **clearly**.

1. (a) A company has the following capital structure :— 10
- | | | Cost |
|-------------------|--------------|-------------|
| Debt. | Rs. 30 lakhs | 4% |
| Preference shares | Rs. 10 lakhs | 8% |
| Equity shares | Rs. 10 lakhs | 11% |
| Retained Earnings | Rs. 20 lakhs | 10% |
- Calculate weighted average cost of capital.
- (b) Define account. What are the objects of book keeping ? 10
2. (a) Explain different types of Ledgers and highlight their characteristics. 10
 (b) Define Management Accounting. List out the basic objectives of management Accounting. 10
3. (a) Explain the sources and features of different sources of capital for a proposed Hydro-electric Project. 10
 (b) What are the factors that influence the requirement of working capital in a production unit ? 10
4. (a) What strategies will you follow with respect to management of inventories and cash ? 10
 (b) " Ratios highlight the health of firm." Explain classify ratios on the basis of Liquidity, Solvency, Activity and Profitability. 10
5. From the Trial Balance given below prepare a Trading and Profit and Loss Account for the year ended 31-12-1996 and a balance sheet as on that date :— 20

Trial Balance

Cash in hand	1200	Capital	80000
Purchases	120000	4% Bank Loan	20000
Opening stock	35000	Bills payable	22000
Sundry debtors	50000	Sundry creditors	24000
Plant & Machinery	60000	Sales	200000
Furniture	15000	Bad debts Reserve	1200
Bills receivables	20000		
Rent & Taxes	10000		
Wages	16000		
Salaries	20000		
	347200		347200

[TURN OVER

N.E(C) Sum to PDC Cont mst Accounting & Finance Mgr.
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Additional information :-

- (1) Closing stock Rs. 40,000
- (2) Provide outstanding liabilities. Rent and Tax Rs. 2000, Wages Rs. 3000, Salaries Rs. 4000.
- (3) Depreciation on plant Machinery @ 5%, on furniture @ 10%.
- (4) Write-off Rs. 500 as bad debts.
- (5) Create a bad debt reserve @ 2.5 % on sundry debtors.

6. (a) The following is the balance sheet of Punjab Auto Ltd. As on 31-12-1991 :- 10

Liabilities	Rs.	Assets	Rs.
Capital	40,000	Plant and Machinery	24,000
Capital Reserve	8000	Land and Building	40,000
8% Loan on Mortgage	32000	Furniture and Fixture	16,000
Creditors	16000	Stock	12000
Bank O.D.	4000	Debtors	12000
<u>Taxation :</u>		Investment (Short Termed)	4000
Current	4000	Cash in Hand	12000
Future	4000		
P & L A/c.	12000		

Calculate :

- (i) Current Ratio
 - (ii) Quick Ratio.
- (b) What are the various considerations under project financing ? Explain them in details. 10

7. Write short notes on :- 20

- (a) Inflation Accounting
- (b) Cash flow statement
- (c) Financial statements
- (d) Real Accounts.

Particulars	Rs.	Particulars	Rs.
Capital	40,000	Plant and Machinery	24,000
Capital Reserve	8,000	Land and Building	40,000
8% Loan on Mortgage	32,000	Furniture and Fixture	16,000
Creditors	16,000	Stock	12,000
Bank O.D.	4,000	Debtors	12,000
<u>Taxation :</u>		Investment (Short Termed)	4,000
Current	4,000	Cash in Hand	12,000
Future	4,000		
P & L A/c.	12,000		