

[Total No. of Questions : 5]

M.Com. (Semester - I) Examination, Nov. - 2011
CO 105 : MANAGERIAL ACCOUNTING
(Theory)

Duration : 2 Hours

Total Marks : 50

Instructions : 1) Question No. 1 is compulsory.

2) Answer any of the internal choices of remaining questions.

- Q1) a) Related Party Disclosures.
 b) Trend Analysis.
 c) Leveraged buy-out.
 d) Value Added Statement.
 e) Leasing Vs Hire Purchase.

- Q2) a) What is "Financial Statement Analysis"? What are the types of Financial Analysis?

OR

- b) The summarized Balance Sheet of M/s Ankit Ltd as at March 31, 2009 and 2010 are given below.

Balance Sheet of M/s Ankit Ltd. as on March 31, 2009 and 2010

Liabilities	2009 Rs.	2010 Rs.	Assets	2009 Rs.	2010 Rs.
Share Capital	9,00,000	9,00,000	Fixed Assets	8,00,000	6,40,000
General Reserve	6,00,000	6,20,000	Investments	1,00,000	1,20,000
Profit & loss a/c	1,12,000	1,36,000	Stock	4,80,000	4,20,000
Creditors	3,36,000	2,68,000	Debtors	4,20,000	9,10,000
Provision for tax	1,50,000	20,000	Bank	2,98,000	3,94,000
Mortgage loan	-	5,40,000			
Total	20,98,000	24,84,000	Total	20,98,000	24,84,000

Additional Information :

- i) Investments costing Rs. 16,000 were sold during the year for Rs. 17,000.
- ii) Provision for tax during the year Rs. 18,000
- iii) During the year, a part of the fixed assets costing Rs. 20,000 was sold for Rs. 24,000 and the profit was included in Profit and Loss account.
- iv) Dividends paid amounted to Rs. 80,000

You are required to prepare a Cash Flow Statement in accordance with AS 3 accounting standard.

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Q3) a) What is Merging? Discuss various methods of Valuation in Merging.

OR

b) A Ltd., wants to take over B Ltd., and the financial details of both the companies are as below :

Liabilities	A Ltd., Rs.	B Ltd., Rs.
Equity share capital of Rs. 10 each	2,00,000	1,00,000
Preference share capital	40,000	-
Share Premium	-	4,000
Profit & Loss A/C	76,000	8,000
10% Debentures	30,000	10,000
Total Liabilities	3,46,000	1,22,000

Assets	A Ltd., Rs.	B Ltd., Rs.
Fixed Assets	2,44,000	70,000
Current Assets	1,02,000	52,000
Total Assets	3,46,000	1,22,000

Particulars	A Ltd., Rs.	B Ltd., Rs.
Profit after tax and Preference Dividend	48,000	30,000
Market Price Per Share	24	27

You are required to determine the share exchange ratio to be offered to the shareholders of B Ltd., based on :

- Net Asset Value.
- EPS.

Q4) a) What is Historical Cost Approach of Human Resource Accounting? Explain its merits.

OR

b) The following are the Balance Sheet of XYZ Company Ltd.,

Liabilities	2009 Rs.	2010 Rs.	Assets	2009 Rs.	2010 Rs.
Equity Share Capital	2,00,000	2,00,000	Land & Buildings at Cost (Purchased in 2005)	1,00,000	1,00,000
Profit & Loss A/c	15,000	20,000	Plant & Machinery (Cost Rs. 1,50,000 purchased in 2005)	75,000	67,500
Sundry Creditors	25,000	30,000	Inventory	30,000	37,500
			Sundry Debtors	20,000	25,000
			Cash	15,000	20,000
Total	2,40,000	2,50,000	Total	2,40,000	2,50,000

The General Price Index was 100 in 2005 (base year), 200 in 2009 and 250 in 2010.

No dividend was paid in 2008

You are required to prepare :

- Supplementary Income at Current Values.
- Supplementary Comparative Balance Sheet at Current Value.

Q5) a) What is Economic Value Added? Explain its advantages.

OR

b) Vani Ltd., is interested in acquiring the use of an asset costing Rs. 5,00,000. It has two options

- to borrow the amount at 18% p.a repayable in 5 equal installments, or
- to take on lease the asset for a period of 5 years at the yearend rentals of Rs. 1,20,000.

The corporate tax is 50% and the depreciation is allowed on W.D.V at 20%. The asset will have a salvage of Rs. 1,80,000 at the end of the 5th year.

You are required to advise the company about lease or buy decision.

