



SDV – 05

M.Com. (Semester – I) Examination, November 2012

CO 105 : MANAGERIAL ACCOUNTING

Duration : 2 Hours

Max. Marks : 50

Instructions : 1) Question No. 1 is **compulsory**.

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

1. A) What are different types of Accounting Concepts ? (5×2=10)
- B) What is 'Common size Statement Analysis' ?
- C) Explain "Leveraged Buy-Out".
- D) What is 'Value Added Statement' ?
- E) What do you mean by "Buy Back Shares" ?
2. A) What is the need for financial analysis ? Explain the role of Ratio Analysis in the interpretation of financial statements. 10

OR

B) From the following Balance Sheets of X Ltd., on 31st December, 2010 and 2011, you are required to prepare.

- i) A Schedule of changes in working capital
- ii) A Funds Flow Statement

Balance Sheet of X Ltd. as on 31st December, 2010 and 2011

Liabilities	2010 (Rs.)	2011 (Rs.)	Assets	2010 (Rs.)	2011 (Rs.)
Share Capital	1,00,000	1,00,000	Goodwill	12,000	12,000
General Reserve	14,000	18,000	Building	40,000	36,000
Profit and Loss A/c	16,000	13,000	Plant	37,000	36,000
Sundry Creditors	8,000	5,400	Investments	10,000	11,000
Bills Payable	1,200	800	Stock	30,000	23,400
Provision for Taxation	16,000	18,000	Bills Receivable	2,000	3,200
Provision for Doubtful debts	400	600	Debtors	18,000	19,000
			Cash	6,600	15,200
	1,55,600	1,55,800		1,55,600	1,55,800

P.T.O.

**Additional Information :**

- i) Depreciation charged on Plant was Rs. 4,000 and on Building Rs. 4,000.
- ii) Provision for taxation was made during the year 2011 was Rs. 19,000.
- iii) Interim Dividends paid during the year 2011 amounted to Rs. 8,000.

3. A) What is Merging ? Explain the different types of Mergers.

10

OR

B) The following is the Balance Sheet of 'A' Ltd. as on 31st March, 2011.

Liabilities	Rs.
14,000 Equity share capital of Rs. 100 each	14,00,000
General Reserve	10,000
10% Debentures	2,00,000
Sundry Creditors	2,00,000
Bank Overdraft	50,000
Bills Payable	40,000
Total	19,00,000

Assets	Rs.
Sundry Assets	18,00,000
Discount on issue of Debentures	10,000
Preliminary Expenses	30,000
Profit and Loss Account	60,000
Total	19,00,000

'R' Ltd. agreed to take over the business of 'A' Ltd.

- a) The market value of 75% of the sundry assets is estimated to be 12% more than the book value and that of remaining 25% at 8% less than the book value.
- b) The liabilities are taken over at book values.
- c) There is an unrecorded liability of Rs. 25,000.

4. A) What is Human Resource Accounting ? Explain Historical Cost Approach of Human Resource Accounting.

10

OR



B) X Ltd. has the following fixed assets on 31-12-2007 :

Assets	Cost (Rs.)	Depreciation (Rs.)	Net Value (Rs.)
Land	30,000		30,000
Building	80,000	24,000	56,000
Plant	2,60,000	96,000	1,64,000

Plant includes Rs. 60,000 installed on 1-1-07, depreciation was charged at 5% on building, 10% on plant according to straight line method.

Replace Cost Indices are as follows :

Assets	On the date of Acquisition	As on 1-1-2007	As on 31-12-2007
Land	100	250	300
Building	100	200	220
Plant	100	180	225

You are required to show how the Balance Sheet items will be affected by the changes according to Current Cost Accounting (CCA) Method.

5. A) What is Leasing ? Explain different types of Lease Agreements ? 10

OR

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

- i) To borrow the amount at 18% p.a. repayable in 5 equal installments, or
- ii) 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.

Present Value for Annuity at 18% for 5 year is 3.127				
Present Value Factor at 18% for 5 years is as follows				
1 Year	2 Year	3 Year	4 Year	5 Year
0.847	0.718	0.609	0.516	0.437