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M. COM. (SEMESTER – I) EXAMINATION, NOVEMBER 2013
CO105 MANAGERIAL ACCOUNTING

Duration: 2 hours   Total Marks: 50

Instructions: 1) Answer all questions.
2) Each question carries 10 marks.

Q.1] Briefly answer the following: (5x2=10)
   a) EPS
   b) Deferred tax accounting
   c) IASB
   d) GAAP
   e) Corporate Governance

Q.2.A] Define the term Accounting Standards. What is its importance in financial
accounting and reporting?   (10)

OR

Q.2.B] What do you understand by reportable segment of an enterprise? Discuss
the recommendations of AS-17 Segment Reporting on 'Identifying
Reportable Segments'.

Q.3.A] Following are the Income Statement and Balance Sheet of Alpha & Co. for
the year 2003 and 2004, present the income statement & Balance Sheet in
vertical form & Prepare the Common size Income statement & Balance
Sheet and interpret the same.

Income Statements for the year 2003 and 2004   (Figures in ₹)

To cost of goods Sold	300000	375000	By Net Sales	400000	500000
To General Expenses	10000	10000			
To Selling Expenses	15000	20000			
To Net Profit	75000	95000			
	400000	500000		400000	500000

Balance Sheet as on December 31 (Figures in ₹)

Liabilities	2003	2004	Assets	2003	2004
Capital	350000	350000	Land	50000	50000
Reserves	100000	122500	Building	150000	135000
Secured Loans	50000	75000	Plant	150000	135000
Creditors	100000	137500	Furniture	50000	70000
Outstanding Exp.	50000	75000	Cash	50000	70000
			Debtors	100000	150000
			Stores	100000	150000
	650000	760000		650000	760000

OR

Q.3. B] From the following accounts of JPF Ltd. for the year 2008 2009 you are required to state the below mentioned accounting ratios for the two years which will assist the management in measuring the efficiency of the company's operation and the possible reasons for changes in ratios.

Particulars	2008	2009
Sales credit	540000	684000
cash	60000	64000
	600000	748000
Cost of sales	472000	596000
Gross profit	**128000**	**152000**
Warehousing and transport	38000	48000
Administration expenses	38000	38000
Selling expenses	22000	28000
Debenture interest	--------	4000
Net profit	**30000**	**34000**

Balance sheet as on 31-12-2008, 2009

	2008	2009
Fixed assets Less Depreciation	60000	80000
Stock	120000	188000
Debtors	100000	164000
Cash	20000	14000
	300000	**446000**
Share Capital	150000	150000
Reserves	30000	60000
Profit and Loss Account	20000	24000
Debentures	-------	60000
Current Liabilities	100000	152000
	300000	**446000**

Calculate- i) Gross profit Ratio   ii) Operating ratio   iii) Currrent ratio
iv) Return on capital employed   v) Proprietary ratio

Q.4.A] What do you understand by Corporate restructuring? State and explain
various forms of corporate restructuring.   (10)

OR

Q.4.B] What is Buyback of Shares? What are the conditions and safeguards for
buyback of shares?   (10)

Q.5)A] From the information given below you are required to advise about lease out
of the asset.   (10)

Cost of Equipment ₹ 400000
Average cost of capital to the lessor 12%
Depreciation Allowable 20% on original cost
Expected life of asset 5 yrs
Salvage Value NIL
Lease rent payable at the end of each year ₹ 150000
Corporate Tax (applicable to lessor) 50%
Present factor of annuity of Re.1 for 5yrs at 12% is 3.605

OR

Q.5.B] The following are the Balance Sheet of Mittal & Group Co.Ltd.

Liabilities	2001	2002	Assets	2001	2002
Equity Share Cap	200000	200000	L& B at cost (purchased In 1993)	100000	100000
P&L a/c	15000	20000	P&M (cost ₹ 150000 Purchased in 1993)	75000	67500
Sundry Creditors	25000	30000	Inventories	30000	37500
			Sundry Debtors	20000	25000
			Cash	15000	20000
	240000	250000		240000	250000

The general price Index was 100 in 1993 (Base year), 200 in 2001, 250 in 2002
No dividend was paid in 1999
You are required to prepare
   i)   Supplementary income statement at current values.
   ii) Supplementary Comparative Balance Sheet at Current Values.

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