



MCO (P) 94

**M.Com. (Previous) Examination, June 2013
(SIM Scheme)
COMMERCE**

Course – IV : Accounting Theory and Practice

Time : 3 Hours

Max. Marks : 90

PART – A

Answer **any three** questions. **Each** question carries **15** marks : **(15×3=45)**

1. Describe the objectives of financial statement analysis. Explain the various techniques of financial statement analysis.
2. Discuss the assumptions underlying accounting measurement and explain their significance.
3. Define human resource accounting. Explain the techniques that can be used for human resource accounting.
4. XYZ Ltd's Balance Sheet position as at the end of just concluded financial year and previous year are as under.

Balance Sheet as at the end of March

	2010	2011
	(Rs. in Thousands)	
Liabilities :		
Equity shares	100	100
Reserves and surplus	40	44
Secured loans	80	90
Bank overdraft	60	80
Creditors	30	40
Unsecured loans from promoters	—	16
Assets :		
Fixed assets (excluding depreciation)	150	180
Stock	76	132
Debtors	60	54
Cash in hand	24	04

Additional information about the company is given below :

Particulars	2010	2011
	(Rs. in Thousands)	
Sales	400	350
PAT	30	17

Compute the possible ratios and assess the financial efficiency of the company.

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5. Following is the Balance Sheet of a company for the year 2011 and 2012

Liabilities	2011 Rs.	2012 Rs.	Assets	2011 Rs.	2012 Rs.
Share capital	2,00,000	2,40,000	Goodwill	56,000	40,000
Share premium	20,000	24,000	Building	1,60,000	2,40,000
General reserve	40,000	50,000	Machinery	1,20,000	1,60,000
P/L A/c	60,000	70,000	Furniture	20,000	24,000
Creditors	60,000	80,000	Patents	12,000	10,000
Bills payables	20,000	16,000	Stock	80,000	60,000
Debentures	1,00,000	80,000	Debtors	40,000	36,000
Tax reserve	24,000	40,000	Bills receivable	20,000	30,000
O/S expenses	8,000	16,000	Cash	24,000	16,000
	5,32,000	6,16,000		5,32,000	6,16,000

Additional Information :

- A machine whose book value was Rs. 24,000 was sold for Rs. 20,000 during the year.
- Depreciation written off on building Rs. 10,000 and Machinery Rs. 16,000.
- Income tax paid during the year Rs. 30,000.
- Interim dividends paid Rs. 10,000

Prepare :

- Schedule of changes in Working Capital.
- Funds Flow Statement.

PART – B

Answer **any three** questions. **Each** question carries **10** marks : **(10×3=30)**

- Explain the conditions that must exist for effective responsibility accounting.
- Give an account of institutions that influence the development of Indian GAAP.
- Distinguish between cash and accrual basis of accounting. Illustrate with an example.



9. The following data are available from the books of Customer Care Ltd. as on 31st March, 2003.

	1 st April, 2002	31 st March, 2003
	(Rs.)	(Rs.)
Cash	7,000	9,000
Book debts	50,000	60,000
Creditors	36,000	44,000
Loan	80,000	80,000

You are required to work out the net monetary result of the company as at 31st March, 2003 considering 'retail price index numbers'.

1st April, 2002 : 240

31st March, 2003 : 360

Average Index for the year : 300

10. Following is an incomplete Balance Sheet given to you

Liabilities	Rs.	Assets	Rs.
Equity Capital	3,00,000	Fixed Assets	----
Retained Earnings	3,00,000	Inventories	----
Creditors	----	Debtors	----
		Cash	----
	10,00,000		10,00,000

You are given the additional information :

- a) Total Debt is 2/3 of the Net Worth
- b) Turnover of total assets is 1.8
- c) 30 days sales are in the form of Debtors
- d) Turnover of inventory is 2
- e) Cost of goods sold in the year is Rs. 9,00,000
- f) Acid Test Ratio is 1 : 1

Complete the Balance Sheet using the additional information.

PART – C

Answer **any three** questions. **Each** question carries **five** marks :

(5×3=15)

11. a) How do you compute cash from operations ?
b) What is bench marking ?
c) Write a note on Government system of accounting.
d) How are common-size statements useful to the analyst ?
e) What is inflation accounting ?
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