**JAIPURIA INSTITUTE OF MANAGEMENT, INDORE**

**PGDM**

**FIRST TRIMESTER (Batch 2020-22)**

**END TERM IMPROVEMENT EXAMINATION, DEC-2020**

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| --- | --- | --- | --- |
| Course Name | **Accounting Fundamentals** | Course Code | **FIN101** |
| Max. Time | **2 hours** | Max. Marks | **40** |

**Q. 1**

**Years 2020 2019 2018**

|  |
| --- |
| **XYZ Two Wheelers Company Profit & Loss A/C** |
| **REVENUE FROM OPERATIONS [NET]** | **29,111.54** | **29,567.25** | **24,700.30** |  |  |  |
| **REVENUE FROM OPERATIONS [NET]** | **29,111.54** | **29,567.25** | **24,700.30** |  |  |  |
| **TOTAL OPERATING REVENUES** | **29,918.65** | **30,249.96** | **25,164.92** |  |  |  |
| Other Income | 1,733.56 | 1,649.31 | 1,347.25 |  |  |  |
| **TOTAL REVENUE** | **31,652.21** | **31,899.27** | **26,512.17** |  |  |  |
| **EXPENSES** |  |  |  |  |  |  |
| Cost Of Materials Consumed | 19,484.62 | 20,301.35 | 15,999.16 |  |  |  |
| Operating And Direct Expenses | 0.00 | 0.00 | 0.00 |  |  |  |
| Changes In Inventories Of FG,WIP And Stock-In Trade | -63.01 | -56.42 | 9.68 |  |  |  |
| Employee Benefit Expenses | 1,389.21 | 1,255.40 | 1,069.09 |  |  |  |
| Finance Costs | 3.16 | 4.48 | 1.31 |  |  |  |
| Depreciation And Amortisation Expenses | 246.43 | 265.69 | 314.80 |  |  |  |
| Other Expenses | 2,454.90 | 2,218.33 | 1,926.38 |  |  |  |
| **TOTAL EXPENSES** | **25,072.01** | **25,538.11** | **20,697.60** |  |  |  |
| **PROFIT/LOSS BEFORE EXCEPTIONAL, EXTRAORDINARY ITEMS AND TAX** | **6,580.20** | **6,361.16** | **5,814.57** |  |  |  |
| Exceptional Items | 0.00 | 342.00 | -32.00 |  |  |  |
| **PROFIT/LOSS BEFORE TAX** | **6,580.20** | **6,703.16** | **5,782.57** |  |  |  |
| **TAX EXPENSES-CONTINUED OPERATIONS** |  |  |  |  |  |  |
| Current Tax | 1,547.26 | 1,818.59 | 1,646.36 |  |  |  |
| Less: MAT Credit Entitlement | 0.00 | 0.00 | 0.00 |  |  |  |
| Deferred Tax | -67.04 | 209.39 | 68.11 |  |  |  |
| Tax For Earlier Years | 0.00 | 0.00 | 0.00 |  |  |  |
| **TOTAL TAX EXPENSES** | **1,480.22** | **2,027.98** | **1,714.47** |  |  |  |
| **PROFIT/LOSS AFTER TAX AND BEFORE EXTRAORDINARY ITEMS** | **5,099.98** | **4,675.18** | **4,068.10** |  |  |  |
| **PROFIT/LOSS FOR THE PERIOD** | **5,099.98** | **4,675.18** | **4,068.10** |  |  |  |

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|  |
| **EQUITIES AND LIABILITIES** | |  |  |  |  |
| **SHAREHOLDER'S FUNDS** | |  |  |  |  |
| Equity Share Capital | 289.37 | 289.37 | 289.37 |  |  |
| **Total Share Capital** | **289.37** | **289.37** | **289.37** |  |  |
| Reserves and Surplus | 19,636.12 | 21,490.53 | 18,814.49 |  |  |
| **Total Reserves and Surplus** | **19,636.12** | **21,490.53** | **18,814.49** |  |  |
| **Total Shareholders Funds** | **19,925.49** | **21,779.90** | **19,103.86** |  |  |
| **NON-CURRENT LIABILITIES** | |  |  |  |  |
| Deferred Tax Liabilities [Net] | 346.38 | 542.66 | 323.42 |  |  |
| Other Long Term Liabilities | 167.72 | 169.59 | 168.73 |  |  |
| Long Term Provisions | 80.50 | 14.56 | 112.19 |  |  |
| **Total Non-Current Liabilities** | **594.60** | **726.81** | **604.34** |  |  |
| **CURRENT LIABILITIES** | |  |  |  |  |
| Trade Payables | 3,199.70 | 3,786.73 | 3,244.32 |  |  |
| Other Current Liabilities | 895.54 | 946.33 | 741.37 |  |  |
| Short Term Provisions | 157.97 | 140.62 | 125.60 |  |  |
| **Total Current Liabilities** | **4,253.21** | **4,873.68** | **4,111.29** |  |  |
| **Total Capital And Liabilities** | **24,773.30** | **27,380.39** | **23,819.49** |  |  |
| **ASSETS** | |  |  |  |  |
| **NON-CURRENT ASSETS** | |  |  |  |  |
| Tangible Assets | 1,602.03 | 1,688.69 | 1,821.22 |  |  |
| Intangible Assets | 43.09 | 19.75 | 0.00 |  |  |
| Capital Work-In-Progress | 46.54 | 11.54 | 11.15 |  |  |
| Intangible Assets Under Development | 13.65 | 36.48 | 45.32 |  |  |
| Other Assets | 53.90 | 55.50 | 57.11 |  |  |
| **Fixed Assets** | **1,759.21** | **1,811.96** | **1,934.80** |  |  |
| Non-Current Investments | 15,416.20 | 17,582.88 | 11,822.89 |  |  |
| Long Term Loans And Advances | 32.46 | 31.63 | 30.64 |  |  |
| Other Non-Current Assets | 968.47 | 891.26 | 795.53 |  |  |
| **Total Non-Current Assets** | **18,176.34** | **20,317.73** | **14,583.86** |  |  |
| **CURRENT ASSETS** | |  |  |  |  |
| Current Investments | 2,779.75 | 1,576.48 | 5,765.41 |  |  |
| Inventories | 1,063.50 | 961.51 | 742.58 |  |  |
| Trade Receivables | 1,725.10 | 2,559.69 | 1,491.87 |  |  |
| Cash And Cash Equivalents | 308.27 | 922.81 | 778.00 |  |  |
| Short Term Loans And Advances | 6.11 | 6.34 | 6.26 |  |  |
| OtherCurrentAssets | 714.23 | 1,035.83 | 451.51 |  |  |
| **Total Current Assets** | **6,596.96** | **7,062.66** | **9,235.63** |  |  |
| **Total Assets** | **24,773.30** | **27,380.39** | **23,819.49** |  |  |

From 3 years financial statement of the company for each year, Compute :

1) EBIDTA

2) Return on Capital Employed.

3) Margin

4) Employees cost to Revenue ratio.

5) Fixed assets turnover ratio

6) Inventory turnover ratio

7) Debtors turnover ratio

8) cash turnover ratio

9) Other income in the profit and loss account mostly consists of income from investment. The company holds large non-current investments. Analyse whether income from investment is sufficient to justify such large holding in investment.

Note : Present the results of(1) to (8) in a table form. Show detailed working to support your answers.

**(28 Marks)**

**Q.2.** a)P/L A/c of X Ltd. for the year ended 31.03.2020

|  |  |
| --- | --- |
| **Particulars** | **Rs** |
| Revenue | 75,800 |
| Gain on sale of investment | 1200 |
| Dividend | 1300 |
| A.Total Income | 78300 |
| Less: Expenses |  |
| a) Production, Admn. And distribution expenses | 54400 |
| b) Depreciation | 6700 |
| B. Total Expenses | 61100 |
| PBT | ? |
| Tax provision | 8300 |
| PAT | ? |

Relevant Balance sheet accounts at the end of 2019 and 2020 are given below:

|  |  |  |
| --- | --- | --- |
| **Balances** | **2020** | **2019** |
| Inventories | Rs 9000 | Rs.7000 |
| Debtors | 7000 | 5000 |
| Prepaid Expenses | 1000 | 2000 |
| Creditors | 13000 | 9000 |
| Tax payable | 2000 | 3000 |

a) Compute the missing figures in P/L A/c

b) Prepare a cash flow statement using indirect method.

**(12 Marks)**