

**VPM's**  
**DR VN BRIMS, Thane**  
**Programme: PGDM (2017-19)**  
**Trimester – II Examination Dec. 2017**

Subject	Management accounting and control -II		
Roll No.		Marks	60 Marks
Total No. of Questions	7	Duration	3 Hours
Total No. of printed pages	4	Date	27.12.2017

**Note: Q1 is compulsory (20 Marks) and solve any FOUR from the remaining SIX questions.**

(₹ in crores)

	Note	Page	As at March 31, 2016	As at March 31, 2015
<b>I. EQUITY AND LIABILITIES</b>				
<b>1. SHAREHOLDERS' FUNDS</b>				
(a) Share capital	2	F-15	679.18	643.78
(b) Reserves and surplus	3	F-17	21,688.90	14,218.81
			<b>22,368.08</b>	<b>14,862.59</b>
<b>2. NON-CURRENT LIABILITIES</b>				
(a) Long-term borrowings	4	F-18	10,687.94	12,318.96
(b) Other long-term liabilities	7	F-20	210.12	286.80
(c) Long-term provisions	9	F-21	1,409.05	2,104.19
			<b>12,307.11</b>	<b>14,709.95</b>
<b>3. CURRENT LIABILITIES</b>				
(a) Short-term borrowings	5	F-18	3,351.74	7,762.01
(b) Trade payables [includes dues of micro and small enterprises ₹127.39 crores (March 31, 2015 : ₹139.28 crores)]	11	F-21	8,916.60	8,852.65
(c) Other current liabilities	8	F-20	4,267.23	3,142.88
(d) Short-term provisions	10	F-21	1,215.49	613.09
			<b>17,751.06</b>	<b>20,370.63</b>
<b>TOTAL</b>			<b>52,426.25</b>	<b>49,943.17</b>
<b>II. ASSETS</b>				
<b>1. NON-CURRENT ASSETS</b>				
(a) Fixed assets				
(i) Tangible assets	12	F-22	12,252.78	12,260.50
(ii) Intangible assets	13	F-22	3,511.19	3,522.73
(iii) Capital work-in-progress			1,469.71	1,349.95
(iv) Intangible assets under development			5,011.18	4,690.84
			<b>22,244.86</b>	<b>21,824.02</b>
(b) Non-current investments	14	F-23	16,975.46	16,966.95
(c) Long-term loans and advances	16	F-26	2,363.22	2,403.56
(d) Other non-current assets	18	F-27	136.80	175.67
			<b>41,720.34</b>	<b>41,370.20</b>
<b>2. CURRENT ASSETS</b>				
(a) Current investments	15	F-25	1,736.00	20.22
(b) Inventories	20	F-28	4,902.20	4,802.08
(c) Trade receivables	21	F-28	1,568.46	1,114.48
(d) Cash and bank balances	22	F-28	452.08	944.75
(e) Short-term loans and advances	17	F-26	1,794.32	1,574.41
(f) Other current assets	19	F-27	252.85	117.03
			<b>10,705.91</b>	<b>8,572.97</b>
<b>TOTAL</b>			<b>52,426.25</b>	<b>49,943.17</b>
<b>III. NOTES FORMING PART OF FINANCIAL STATEMENTS</b>				

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**B P SHROFF**  
Partner

Mumbai, May 30, 2016

**CYRUS P MISTRY [DIN: 00010178]**  
Chairman

For and on behalf of the Board

**N N WADIA [DIN: 00015731]**  
**R A MASHEKAR [DIN: 00074119]**  
**S BHARGAVA [DIN: 00035672]**  
**N MUNJEE [DIN: 00010180]**  
**V K JAIRATH [DIN: 00391684]**  
**R SPETH [DIN: 03318908]**  
Directors

**GUENTER BUTSCHEK [DIN: 07427375]**  
CEO & Managing Director  
**R PISHARODY [DIN: 01875848]**  
Executive Director  
**S B BORWANKAR [DIN: 01793948]**  
Executive Director  
**C RAMAKRISHNAN**  
Group Chief Financial Officer  
**H K SETHNA [FCS: 3507]**  
Company Secretary

Mumbai, May 30, 2016

- 1 Analyze the Balance sheet of Tata Motors for the period 2015-2016
- 2 Calculate the relevant ratio and comment on the same.
- 3 Explain the concept of Minority interest and goodwill on consolidation in detail.

**Q2 Pass Journal Entries for the following transactions. (10 Marks)**

<b>Date</b>	<b>Transaction</b>
Jan 2	An amount of \$36,000 was paid as advance rent for three months.
Jan 3	Paid \$60,000 cash on the purchase of equipment costing \$80,000. The remaining amount was recognized as a one year note payable with interest rate of 9%.
Jan 4	Purchased office supplies costing \$17,600 on account.
Jan 13	Provided services to its customers and received \$28,500 in cash.
Jan 13	Paid the accounts payable on the office supplies purchased on January 4.
Jan 14	Paid wages to its employees for first two weeks of January, aggregating \$19,100.
Jan 18	Provided \$54,100 worth of services to its customers. They paid \$32,900 and promised to pay the remaining amount.
Jan 23	Received \$15,300 from customers for the services provided on January 18.
Jan 25	Received \$4,000 as an advance payment from customers.
Jan 26	Purchased office supplies costing \$5,200 on account.
Jan 28	Paid wages to its employees for the third and fourth week of January: \$19,100.
Jan 31	Paid \$5,000 as dividends.
Jan 31	Received electricity bill of \$2,470.
Jan 31	Received telephone bill of \$1,494.
Jan 31	Miscellaneous expenses paid during the month totaled \$3,470

**Q3. Pass Journal Entries and post them into respective ledger accounts. (10 Marks)**

Mr. Nirmal has the following transactions in the month of April.

10 <sup>th</sup> April	Commenced business with a capital of 1,00,000
11 <sup>th</sup> April	Purchased goods from Veeru for 20,000
13 <sup>th</sup> April	Purchased Goods for Cash 15,000
14 <sup>th</sup> April	Purchased Goods from Abhiram for cash 9,000
16 <sup>th</sup> April	Bought Goods from Shyam on credit 12,000
17 <sup>th</sup> April	Sold goods worth 15,000 to Tarun
19 <sup>th</sup> April	Sold goods for cash 20,000
20 <sup>th</sup> April	Sold goods to Utsav for cash 6,000
21 <sup>st</sup> April	Sold goods to Pranav on credit 17,000
22 <sup>nd</sup> April	Returned goods to Veeru 3,000

23 <sup>rd</sup> April	Goods returned from Tarun 1,000
25 <sup>th</sup> April	Goods taken by the proprietor for personal use 1,000
26 <sup>th</sup> April	Bought Land for 50,000
27 <sup>th</sup> April	Purchased machinery for cash 45,000
28 <sup>th</sup> April	Bought computer from Intel Computers for 25,000
28 <sup>th</sup> April	Cash sales 15,000
29 <sup>th</sup> April	Cash purchases 22,000
30 <sup>th</sup> April	Bought furniture for proprietor's residence and paid cash 10,000

**Q4. Any two from (a) or (b) or (c) ————— (10 Marks )**

The authorized capital of Inter-State Distributors Ltd. is Rs 7, 50,000 consisting of 3,000 6% cumulative preference shares of Rs 100 each.

**The following is the trial balance drawn up on 31st December 2004**

	Dr. Rs.	Cr. Rs.
<b>Paid-up Capital :</b>		
3,000 6% cumulative preference shares	—	3,00,000
3,000 equity shares (Rs 75 per share called up)	—	2,25,000
Goodwill	1,00,000	—
5% first mortgage debentures (secured on freehold properties)	—	2,10,000
Trade Debtors and Creditors	1,67,500	1,25,520
Freehold properties at cost	3,90,000	—
Stock on 1st January 2004	2,41,500	—
General Reserve	—	82,725
Salaries	1,03,500	—
Profit and Loss Account	—	58,500
Reserve for taxation	—	8,800
Delivery expenses	1,02,000	—
Rent and rates	38,250	—
General expenses	21,000	—
Furniture at cost	75,000	—
Sales	—	9,18,600
Purchases	4,76,500	—
Bills Receivable	6,000	—
Freight and carriage inward	3,750	—
<b>Investments :</b>		
600 shares of Rs 100 each in Sunrise Ltd.	60,000	—
Debenture interest (half year to June 2004)	5,250	—
Final Dividend for 2003	20,250	—
Preference dividend (half year to 30th June 2004)	9,000	—
Balance at bank in Current A/c	97,500	—
Cash in hand	14,145	—
Share Forfeited Account	—	2,000
	<b>19,31,145</b>	<b>19,31,145</b>

**Q5. Any two from (a) or (b) or (c) ————— (10 Marks)**

Prepare income statement, balance sheet and cash flow statement by both direct and indirect method from the following data.

1. Started Business with cash- 30,00,000
2. Bank Loan- 15,00,000

3. Plant and machinery purchased -10,00,000
4. Sales (Cash) 10,00,000
5. Sales (Credit) 10,00,000
6. Employee expenses (cash) 5,00,000
7. Other expenses (cash) 1,00,000

**Q6. Analyze and comment on cash flow statement given below. (10 Marks)**

### **Wal-Mart Stores Inc. (WMT)**

#### **Cash Flow**

<b>Period Ending</b>	<b>Jan 31, 2010</b>	<b>Jan 31, 2009</b>
<b>Net Income</b>	<b>14,335,000</b>	<b>13,400,000</b>
<b>Operating Activities, Cash Flows Provided By or Used In</b>		
Depreciation	7,157,000	6,739,000
Adjustments To Net Income	(425,000)	435,000
Changes In Accounts Receivables	(297,000)	(101,000)
Changes In Liabilities	2,400,000	1,626,000
Changes In Inventories	2,265,000	(220,000)
Changes In Other Operating Activities	301,000	769,000
<b>Total Cash Flow From Operating Activities</b>	<b>26,249,000</b>	<b>23,147,000</b>
<b>Investing Activities, Cash Flows Provided By or Used In</b>		
Capital Expenditures	(12,184,000)	(11,499,000)
Investments	-	-
Other Cash flows from Investing Activities	564,000	757,000
<b>Total Cash Flows From Investing Activities</b>	<b>(11,620,000)</b>	<b>(10,742,000)</b>
<b>Financing Activities, Cash Flows Provided By or Used In</b>		
Dividends Paid	(4,217,000)	(3,746,000)
Sale Purchase of Stock	(7,712,000)	(3,521,000)
Net Borrowings	(1,866,000)	(2,918,000)
Other Cash Flows from Financing Activities	(396,000)	267,000
<b>Total Cash Flows From Financing Activities</b>	<b>(14,191,000)</b>	<b>(9,918,000)</b>
Effect Of Exchange Rate Changes	194,000	(781,000)
<b>Change In Cash and Cash Equivalents</b>	<b>632,000</b>	<b>1,706,000</b>

**Q7. Attempt the following (10 Marks)**

- 1 Explain the 3 golden rules of accounting.
- 2 What do you mean by drawings in accounting language ?
- 3 Why does net profit appear on the liability side of the balance sheet ?
- 4 What is Tilling in accounts?
- 5 What is amortization?

