

**Dr. Babasaheb Ambedkar Open University**  
**Term End Exam August – 2010**

Course Code : DAA-02 Roll No. \_\_\_\_\_  
Subject : Analytical Accounting Marks : 70  
Date : 02-08-2010  
Time : 03:00 to 06:00

---

Note : All question carry equal marks.

Que 1 : Write short notes : (Any two)

- (1) Fund – Flow statement
- (2) Schedule of changes in working capital
- (3) Adjusted profit and loss Account.

Que 2: Write four Sources and four applications of fund

OR

Prepare Fund-flow Statement , with imaginary figures.

Que 3: Discuss the utility of cash flow statement. What are its limitations ? Give a specimen of cash flow statement.

OR

Explain the difference between fund flow statement and cash flow statement.

Que 4: On 31-3-2007 the machinery appears in the Balance Sheet at cost of Rs. 2,60,000 against which there is a provision for depreciation of Rs. 85,000. The balance on 31-3-2008 at cost is 3,20,000 and the provision of depreciation amounted to Rs. 95,000. During the year machinery costing Rs. 15,000 was sold for Rs. 5,000. The accumulated depreciation on the machine was Rs. 8,000. What is the amount of cash flow from purchase of machinery during the year 2007- 2008?

OR

The Balance sheet as on 31-03-2007 of a company shows a balance of profit and loss Account Rs. 11,200 and on 31-3-2008 Rs. 13,600 . During the year following transaction took place.

- (1) provision made for depreciation Rs. 14,000 and for taxation Rs. 2,000

(P.T.O)

- (2) During the year Investments costing Rs. 12,000 were sold for Rs. 12,100 and machinery costing Rs. 18,000 was sold for Rs. 18,400. The profit made on both was credited to profit and loss account.
- (3) During the year Rs. 8,000 was paid for dividend.
- (4) The balance of General Reserve on last year was Rs. 60,000 and it was Rs. 62,000 on current year.

What is the amount of inflow of cash through Profit.

Que 5: What are “ Accounting Ratios” ? Discuss its utility and limitations.

OR

The following is the Balance Sheet of Rohan Ltd. as on 31-3-2006.

| Liabilities             | Rs.           | Assets            | Rs.           |
|-------------------------|---------------|-------------------|---------------|
| Eq. Share Capital       | 2,50,000      | Fixed Assets      | 4,80,000      |
| 10% Pref. share Capital | 1,00,000      | Stock             | 1,12,500      |
| Reserves                | 1,12,000      | Debtors           | 87,500        |
| 12% Debentures          | 1,50,000      | Bills receivable  | 25,000        |
| Bank overdraft          | 25,000        | Cash and Bank     | 45,000        |
| Creditors               | 95,000        | Preliminary Exps. | <u>12,500</u> |
| Bills payable           | <u>30,000</u> |                   | 7,62,500      |
|                         | 7,62,500      |                   |               |

Additional Information :

- |   |          |
|---|----------|
| (1) Total Sales (Cash Sales are 20% of Credit sales ) | 9,00,000 |
| (2) Gross Profit                                      | 3,60,000 |
| (3) Net profit (Before Interest and 50% Tax)          | 2,43,000 |
| (4) Stock on 1-4-2005                                 | 1,03,500 |

From the above information calculate the following Ratios for the year ended on 31-3-2006 and comment in brief :

- |                                  |                              |
|----------------------------------|------------------------------|
| (1) Current ratio                | (2) Debtors ratio (300 days) |
| (3) Net profit ratio             | (4) Capital gearing ratio    |
| (5) Return on Shareholders Funds | (6) Stock ratio.             |