



PRAHLADRAI DALMIA LIONS COLLEGE OF COMMERCE & ECONOMICS  
ISO 9001 : 2015 Certified

## NOTICE

**DATE - 04/10/2022**

### **ATKT Internal Examination October, 2022**

#### **BMS (SEM. III)**

#### **INSTRUCTIONS FOR THE STUDENTS HAVING ATKT IN INTERNALS:**

- 1. Date and time of Submission of the Projects- 20th October, 2022 from 11 am to 11.45 am in the third floor staff room.**
2. Students must write their internal atkt project in their own handwriting on A4 size foolscap paper. On top of every page a student has to write his Complete Name, Program (Dept.), Semester, Roll no., Class and Contact No.
3. Students have to attach a photocopy or print out of questions allotted to him as displayed on the college website..
4. **Student has to also attach a photocopy of atkt fee payment receipt to his project.**

SUBJECT	FACULTY
BPEM	Nirav Tawadia
ACCOUNTING FOR MANAGERIAL DECISIONS	Durgesh Y. Kenkre

5. Student have to report to the venue at least 10 minutes before the above time and meet the faculty mentioned.
6. Viva Voce is compulsory to be attended by students or else the student will be marked as ABSENT.
7. **Submissions after the above mentioned date and time will not be accepted and entertained under any circumstances.**

**Prof. Durgesh Kenkre**  
Exam Convenor

**Prof. Subhashini Naikar**  
Vice Principal, SFC

**Dr. Kiran Mane**  
I/c Principal

DI/N-STD/GEN/00

## ACCOUNTING FOR MANAGERIAL DECISIONS

### 2103- SINGH ANYA PAWAN

- 1) Explain positive, negative and zero working capital.
- 2) Explain the operating cycle of a manufacturing concern with a diagram.
- 3) Materials are Rs.480000, wages are Rs.360000 and overheads are Rs.240000. Sales are Rs.1500000. Determine the amount of debtors and creditors if the credit period allowed to the business is 3 months and credit period allowed by the business is 2 months.
- 4) Determine the amount of proprietors fund: Share capital Rs.250, General reserve Rs.50, Security premium Rs.50, debentures Rs.150, creditors Rs.25, capital reserve Rs.80, preliminary expenses Rs.8, profit and loss account Rs.40.
- 5) Determine the amount of absolute increase or decrease in terms of rupees and percentages:

Particulars	2019	2018
	Rs.	Rs.
Share capital	15000	10000
Loans	6000	-----
Fixed assets	40000	50000
Goodwill	-----	2000

### 2105- BHANUSHALI VISHAL DHRAMSHI

- 1) Explain gross and net working capital.
- 2) Explain the operating cycle of a trading concern with help of a diagram.
- 3) Sales are Rs.24 lakhs, profit volume ratio is 40%, fixed cost is Rs.260000. Find the amount of capital cost if return on investment is 34%. Note: Receivables are valued at total cost.
- 4) Determine the amount of tangible assets, intangible assets and total fixed assets: Goodwill Rs.6000, machinery Rs.14000, Land Rs.7000, furniture Rs.1000, patents Rs.2000, underwriting expenses Rs.1000, stock Rs.3000, premises Rs.4000 and livestock Rs.1000.
- 5) Distinguish between horizontal and vertical financial statements.

### 2107- BHAUVAD PARTH SHRIPAT

- 1) Explain balance sheet working capital and cash working capital.
- 2) Explain the working capital cycle of a service provider with the help of a diagram.
- 3) Determine the common size percentage of the following: Gross sales Rs.800000, carriage inward Rs.60000, return inward Rs.50000, return outward Rs.40000, wages Rs.42000 and purchases Rs.170000.
- 4) Determine the current ratio and quick ratio from the following: Debtors Rs.600, creditors Rs.400, stock Rs.100, overdraft Rs.100, cash Rs.150, prepaid expenses Rs.30, outstanding expense Rs.20 and bills receivable Rs.70.
- 5) Sales are Rs.600000, gross profit is Rs.200000, opening stock is Rs.50000 and closing stock is Rs.60000. Compute stock turnover ratio and gross profit ratio.

### 2109-DAVE KIRTI JITENDRA

- 1) Write a note on temporary working capital
- 2) Materials are Rs.480000, wages are Rs.360000 and overheads are Rs.240000. Determine the amount of stock of materials, stock of work in progress and stock of finished goods if they remain in stores, process and godown for a month, one half month and one and half month respectively.
- 3) Distinguish between owner's fund and borrowed fund.
- 4) Determine the common size % for the following: Net worth Rs.2600, fixed assets Rs.1200, debt Rs.400, long term investment Rs.100 and working capital Rs.1700.
- 5) Explain comparative statements.

**2115-GADKAR ANJALI DAJIBA**

- 1) Write a note on permanent working capital
- 2) What do you understand by receivable management? (Give its definition, meaning and objectives)
- 3) Explain common size statements.
- 4) Determine the amount of quick assets, non quick assets, quick liabilities, non quick liabilities, current assets, current liabilities and working capital from the following: Debtors Rs.600, creditors Rs.400, stock Rs.100, overdraft Rs.100, cash Rs.150, prepaid expenses Rs.30, outstanding expense Rs.20 and bills receivable Rs.70.
- 5) Preference share capital is Rs.1500, Equity share capital is Rs.6200, Reserves are Rs.2400, debentures are Rs.800, unsecured loans are Rs.1200, fictitious assets are Rs.100. Determine the debt equity ratio and capital gearing ratio.

**2124- JAISWAR OM ASHOK**

- 1) Explain different working capital management policies.
- 2) Explain the costs associated with receivables management.
- 3) Write a note on trend statements.
- 4) Earth Ltd. wants you to compute its working capital requirements for the coming year from the following information:
  - a) Output = 12000 units p.m.
  - b) Materials Rs.150 p.u., Wages Rs.90 p.u., Overheads Rs.60 p.u. Profit is Rs.60 per unit
  - c) Other information:  
Materials remain in stock for 3 months. Process time is a month. Finished goods remain in the warehouse for 2 months. Credit allowed to customers is 3 months. 1/5<sup>th</sup> of the sales are on cash basis. 20% of the materials are imported from Japan on an advance payment of 1 month and balance materials are on credit basis for 3 months. Lag in payment of wages is 1 month each.
- 5) Sun Ltd. gives you the following data:  
Present: Sales Rs.80lakhs, Variable cost Rs.40 lakhs, fixed cost Rs. 18 lakhs and credit period to debtors is 1 month. Present bad debts loss is Rs.1 lakh.

Proposed credit policy	Proposed credit period	Sales (Rs.in lakhs)	Bad debts (Rs. in lakhs)
A	1.5 months	96	1
B	2 months	108	1.6
C	2.5 months	120	2
D	3 months	128	2.5

Determine the credit period that should be allowed by the company. The company expects a return on investment of 20%.

**2141- PRAJAPATI AMISH SUBHASH**

- 1) What are the advantages of having good working capital ?
- 2) Explain the 5 C's of credit analysis
- 3) Determine the trend percentages of :

Particulars	2020 (Rs.)	2019 (Rs.)	2018 (Rs.)
Sales	500000	600000	800000
Cost of goods sold	200000	300000	450000
Operating expenses	80000	120000	160000
Loans	100000	50000	25000
Machinery	200000	180000	300000

- 4) From the following information find current ratio, quick ratio and stock to working capital ratio: (07)  
Stock Rs.20000, debtors Rs.80000, cash Rs.10000, creditors Rs.40000.

- 5) X Ltd. is a trading company that sells goods at a profit of 50% on cost. The annual sales made by the company are Rs.600 lakh.

From the following information determine its working capital:

Stock holding in terms of sales requirement	: 3 months
Credit period allowed to business	: 3 months
Credit period allowed by business	: 2 months
Cash on hand	: Rs.3 lakh

Compute its working capital.

**2159- THAKUR SHUBHAM RAJNISH**

- 1) What are the disadvantages of not having good working capital?
- 2) What do you mean by credit policy? Explain in brief.
- 3) Determine the amount of administrative expenses, selling expenses, finance expenses and total operating expenses from the following:

Discount allowed Rs.1500, salaries to office staff Rs.33000, salaries to sales man Rs.6000, exhibition expenses Rs.2000, audit fee Rs.14000, office rent and insurance Rs.12000, bad debts Rs.500, conveyance Rs.1000 and travelling expenses Rs.400

- 4) In order to increase the sales, the marketing manager of E Ltd. has given you the following information:  
Present data: Sales Rs.240000, Credit period 30 days, PV ratio is 50% and return on investment is 40%.

Proposed increase in credit period over present	Relevant increase in sales over present (Rs.)
15 days	18000
30 days	24000
45 days	32000
60 days	36000

Evaluate the above proposals. Assume there are 360 days in a year.

(15)

- 5) Write a note on Cash flow from operating activities

**2163- VISHWAKARMA AARTI UMESH**

- 1) Explain how working capital is affected due to: size of business, nature of business, expansion and dividend policy.
- 2) Present Sales are Rs.500000, variable cost are Rs. Rs.200000 and fixed costs are Rs.100000. Find the profit at present and if sales are Rs.1000000.
- 3) Star Ltd. wants you to estimate its working capital requirements for the coming year. The estimated production and sales would be 18000 units per month.  
Cost data reveals that Materials are Rs.10 per unit, Wages are Rs.8 per unit and Overheads are Rs.4 per unit.  
Selling price is Rs.30 p.u.  
Other information:
  - a) Material remains in stock for 3 months.
  - b) Process time is 2 months.
  - c) Finished goods are expected to remain in stores for 3 months.
  - d) Debtors are allowed a credit of 3 months.
  - e) Creditors allow a credit of 2 months.
  - f) Wages and Overheads are outstanding for 1 month and ½ month respectively.
- 4) Determine the absolute increase in Rs. and in % for the following:

Particulars	2018 (Rs.)	2019 (Rs.)
Equity capital	500000	600000
Profit and loss account	400000	300000
Goodwill	140000	120000
Stock	50000	50000
Outstanding expenses	2000	nil

- 5) From the following information calculate gross profit ratio, operating ratio, operating profit ratio and net profit ratio:  
Net sales Rs.1000000, cost of goods sold Rs.400000, operating expenses Rs.200000 and net profit Rs.140000.

**2123- JAISWAL VISHAL JAWAHARPRASAD**

- 1) Explain how working capital is affected by: taxation, credit terms, efficiency and turnover of circulating capital.
- 2) Present sales are Rs.1200000, variable cost is 60% and profit is Rs.220000. Find the amount of capital cost if return on investment is 26%. Note: Receivables are valued at total cost.
- 3) J Ltd. desires to know the quantum of working capital required to finance a level of activity for 100000 units for the coming year. The cost structure is as follows: Materials 40% of Sales, Wages 30% of Sales and Overheads 10% of Sales. Selling price is Rs.9 per unit.

Other information:

- a) Materials are to remain in stores for a month.
- b) Each unit will be in process for 1 month.
- c) Finished goods to stay in the warehouse for 2 months.
- d) Debtors are allowed a credit period of 2 months while creditors give a credit of 1 month from purchase.

4) Determine the trend percentages for the following taking 2019 as the base year:

Particulars	2019 (Rs.)	2020 (Rs.)	2021 (Rs.)
Equity capital	500000	600000	600000
Fixed assets	300000	450000	400000
Sales	1200000	1600000	2000000
Preference capital	100000	75000	25000
Cost of goods sold	500000	700000	600000

- 5) From the following information determine the common size percentage:  
Proprietors fund Rs.60 lakh, Borrowed fund Rs.20 lakh, Net fixed assets Rs.50 lakh, long term investment Rs.10 lakh and working capital Rs.20 lakh.

## **BPEM**

### **2123- JAISWAL VISHAL JAWAHARPRASAD**

- 1) Explain the economic factors that affect the growth of Entrepreneurship.
- 2) Explain X-Efficiency Theory by Leibenstein
- 3) Write down the difference between Innovation & Invention.
- 4) Explain the new trends in entrepreneurship
- 5) Explain Concept and Need of Entrepreneurship Development.

### **2159- THAKUR SHUBHAM RAJNISH**

- 1) Explain the factors influencing EDP.
- 2) Explain the advantages and disadvantages of proactiveness
- 3) Explain Critical Risk Contingencies of the proposal.
- 4) Explain Innovation Theory by Schumpeter & Imitating.
- 5) Explain Theory of Social Change by Everett Hagen.