

St. Mary's School, Dwarka
Holiday Homework
Class XII
Subject: Accountancy

Note: Answer the following questions in your respective notebook

- 1 State any two limitations of financial statements analysis. 1
- 2 i) Give an example of a transaction, a part of which is classified as Investing Activity and another part is classified as Financing activity? 1
- ii) Give an example of a transaction in which interest received will be a financing activity. 1
- 3 i) Current ratio of a firm is 2:1. State whether 'Purchase of goods for cash' will improve, decrease or will not have any change in the ratio? 1
- ii) Debt Equity ratio is 2:1, state whether issue of shares for cash will improve, decrease or will not have any change in the ratio? 1
- 4 Both Horizontal and Vertical Analysis are complementary in nature. Explain 3
- 5 Name the major subheadings under Reserve and Surplus of a company's Balance Sheet is organised and presented. 4
- 6 Current Assets of a company are Rs.15,00,000. Its current Ratio is 2.5 and liquid Ratio is 0.85. Calculate Current liabilities, Liquid Assets and Inventory.. 3
- 7 Compute Cost of Revenue from Operations from the following information. Revenue from Operations Rs.12,00,000; Revenue from Operations Return Rs.80,000; Operating expenses Rs.1,82,000; Operating Ratio 92%. 3
- 8 Under which major **sub-heading** the following items will be placed in the Balance Sheet of a Company as per Schedule-III, Part I of the Companies Act, 2013 : 3
- (i) Accrued Incomes
(ii) Loose Tools
(iii) Provision for employee's benefits
(iv) Unpaid dividend
(v) Short-term loans
(vi) Long-term loans 3
- 9 Prepare a Common Size Income Statement of Profit and Loss from the following information: 4
- | Particulars | Note No. | 31/3/2017 | 31/3/2018 |
|---|----------|-----------|-----------|
| Revenue from operations | | 125% | 140% |
| (% of cost of Material Consumed) | | | |
| Cost of Material Consumed | | 2,40,000 | 2,50,000 |
| Other expenses (% of Revenue from Operations) | | 10% | 12% |
| Other Income | | 15,000 | 20,000 |
| Tax Rate | | 30% | 30% |
- 10 Prepare Common Size Balance Sheet of Reena Ltd, from the following information as on 31st March 2017 and 2018. 6
- | Particulars | Note No | 31/3/2017 | 31/3/2018 |
|-------------------------------------|---------|-----------------|-----------------|
| I EQUITY AND LIABILITIES | | | |
| (1) Shareholders Funds | | | |
| (a) Share Capital (Equity) | | 3,00,000 | 2,50,000 |
| (b) Reserves and Surpluses | | 1,30,000 | 1,00,000 |
| (2) Non-Current Liabilities | | | |
| (a) Long-term Borrowings – Secured | | 1,50,000 | 1,50,000 |
| (b) Long-term Borrowings –unsecured | | 70,000 | 50,000 |
| (3) Current Liabilities | | | |
| Trade Payables | | 60,000 | 50,000 |
| Total | | 7,10,000 | 6,00,000 |
| II ASSETS | | | |
| (1) Non –current Assets | | | |

- | | | | | |
|-----|--------------------------------|----------|----------|--|
| | Fixed Assets: Tangible Assets | 4,00,000 | 3,50,000 | |
| | Less : Depreciation Provisions | 70,000 | 50,000 | |
| | Net Block | 3,30,000 | 3,00,000 | |
| (2) | Current Assets: | | | |
| (a) | Inventories | 1,20,000 | 1,00,000 | |
| (b) | Trade Receivables | 1,80,000 | 1,20,000 | |
| (a) | Cash and cash Equivalents | 60,000 | 50,000 | |
| | TOTAL | 7,10,000 | 6,00,000 | |
- 11 a) Calculate Stock or Inventory Turnover Ratio : Revenue from Operations ₹ 5,00,000;
Gross Profit 25% on cost; Opening Stock was 1/3rd of the value of Closing Stock ;
Closing Stock was 30% of Sales. 4
- b) Compute Working Capital Turnover Ratio if the cost of goods sold is ₹ 8,40,000;
Gross Profit Ratio is 20% and excess of Current Assets over Current Liabilities is
₹ 3,50,000. 4
- c) Balance sheet of A Ltd. showed a balance of Rs.25,00,000 as Cash and Cash
equivalents while working capital requirement of Rs.5,00,000 on an average.
Which value do you think is missing in the financial planning of the company? 1
- 12 Following are the Balance Sheet of Mohan Ltd as at 31/3/2018 and 31/3/2017, prepare Cash
Flow Statement. 10

Particulars	Note No.	31/3/2018	31/3/2017
I EQUITY AND LIABILITY			
1. Shareholder Fund			
a) Share Capital		15,00,000	12,00,000
b) Reserve & Surplus		9,00,000	7,00,000
2. Non- Current Liabilities			
(a) Long term Borrowings		8,00,000	6,00,000
3. Current Liabilities			
(a) Short term borrowings		20,000	10,000
(b) Trade Payables		2,70,000	1,70,000
(c) Other Current Liabilities		3,80,000	2,80,000
(d) Short Term Provisions		<u>1,30,000</u>	<u>1,40,000</u>
TOTAL		<u>40,00,000</u>	<u>31,00,000</u>
II ASSETS			
1. Non – Current Assets			
(a) Fixed Assets			
i) Tangible Assets		10,00,000	9,00,000
ii) Intangible Assets		2,00,000	1,40,000
(b) Non Current Investments		7,00,000	3,00,000
(c) Long term loans and advances		6,00,000	2,50,000
2. Current Assets			
(a) Current Investments		4,00,000	3,00,000
(b) Inventory		2,40,000	2,70,000
(c) Trade Receivable		6,80,000	8,00,000
(d) Cash and Cash Equivalents		1,30,000	90,000
(e) Other Current Assets		50,000	50,000
TOTAL		40,00,000	31,00,000

Notes to Accounts

Particulars	31/3/2018	31/3/2017
1. Share Capital		
i) Equity Share Capital	9,00,000	5,00,000
ii) Preference Share Capital	<u>6,00,000</u>	<u>7,00,000</u>
	15,00,000	12,00,000
2. Reserve and Surplus		
i) General Reserve	6,30,000	4,30,000
ii) Profit and loss	2,30,000	2,70,000
iii) Securities Premium Reserve	40,000	-----
	9,00,000	7,00,000
3. Long term borrowings		

i)	10% Debentures	6,00,000	2,80,000
ii)	12% Bank Loan	<u>2,00,000</u>	<u>3,20,000</u>
		8,00,000	6,00,000
4.	Short Term borrowings		
i)	Bank Overdraft	20,000	10,000
5.	Other Current Liabilities		
i)	Outstanding Expenses	3,80,000	2,80,000
6.	Short term Provisions		
i)	Provision for taxation	1,30,000	1,40,000
7.	Tangible Assets		
i)	Machinery	10,00,000	8,50,000
	(-) Prov. for Dep.	<u>(4,00,000)</u>	<u>(3,00,000)</u>
		<u>6,00,000</u>	<u>5,50,000</u>
	ii) Furniture	<u>4,00,000</u>	<u>3,50,000</u>
		10,00,000	9,00,000
8.	Intangible Assets		
i)	Goodwill	1,60,000	40,000
ii)	Trade Mark	40,000	<u>1,00,000</u>
		2,00,000	1,40,000
9.	Current Investment		
i)	Marketable Securities	4,00,000	3,00,000
10.	Other Current Assets		
i)	Prepaid Insurance	50,000	50,000

Additional Information:-

- i) Dividend paid during the year Rs.45,000
- ii) During the year machinery costing Rs.2,00,000 (Prov. for dep. charged Rs. 80,000) was sold for Rs. 50,000
- iii) Provision for taxation made during the year Rs.1,50,000.
- iv) Debentures were issued on 1/4/2017 and Bank loan also repaid on 1 /4/2017.
- v) Proposed dividend for previous year is Rs.50,000 and for current year is Rs.70,000.