

**GUJARAT NATIONAL LAW UNIVERSITY
GANDHINAGAR**

Course: Management Accounting
Semester-II (Batch: 2016-21)

Mid Semester Test: Feb-Mar. 2017

Date: 04th March-17

Duration: 2 hours

Max. Marks: 30

Instructions:

- Read the questions properly and write the answers in the given answer book.
- The respective marks for each question are indicated in-line.
- Do not write any thing on the question paper.
- Draw the diagrams only with pencil.
- Indicate correct question numbers in front of the answers.
- No questions or clarifications can be sought during the exam period, answer as it is, giving reason, if any.

Answer [all] Questions	Marks
Q.1 Discuss advantages and limitation of Management Accounting.	(05)
Q.2 <i>The Director's report is an important constituent of corporate report.</i> Discuss the information required to be furnished in the Director's report which justifies the statement.	(05)
Q.3 The following information is supplied to you for Ozone Industries Ltd., also supplied to you is select industry indicators of ratios:	(10)

Balance sheet as at March 31, 2015

<i>Liabilities</i>	Amt. Rs.	<i>Assets</i>	Amt. Rs.
Equity Share Capital	26,00,000	Fixed Assets:	
		Gross Block 15,20,000	
		Less: Accumulated Depreciation 1,00,000	
		Net Block	14,20,000
12% Redeemable Pref. Shares	1,20,000	Investments	4,40,000
10% Debentures	2,60,000	Bank	4,40,000
Sundry creditors	1,65,000	Debtors	3,50,000
Bill payable	2,20,000	Closing Stock	8,25,000
Other Current Liabilities	1,10,000		
	34,75,000		34,75,000

Statement of Profit for the year ending March 31, 2014

Sales		Rs. 55,00,000
Less: Cost of goods sold:		
Materials	Rs. 20,90,000	
Wages	13,20,000	
Factory Overheads	6,49,000	40,59,000
Gross Profit		14,41,000