

Dr. Babasaheb Ambedkar Open University
Term End Examination July – 2026

Course : Diploma Course
Subject Code : DAA-02
Subject Name : Analytical Accounting

Date : 07/07/2026
Time : 11:30am to 01:45pm
Duration : 02.15 Hours
Max. Marks : 70

Q-1 Prepare statements showing following details from the Balance Sheets and other details given below of the Navya Ltd. **14**

(1) Changes in Working Capital, (2) Sources and Application of Funds.

Balance Sheets

Liabilities	31-3-25 (Rs.)	31-3-26 (Rs.)	Assets	31-3-25 (Rs.)	31-3-26 (Rs.)
Share Capital	4,50,000	4,50,000	Plant & Machinery	4,00,000	3,20,000
General Reserve	3,00,000	3,10,000	Investments	50,000	60,000
P & L A/c	30,000	35,000	Stock	2,00,000	1,95,000
Capital Reserve	26,000	33,000	Bills Receivable	40,000	15,000
Debentures	-	2,70,000	Debtors	2,10,000	4,55,000
Creditors	90,000	75,000	Bank Balance	1,59,000	1,97,000
Bills Payable	78,000	59,000			
Provision for Taxation	85,000	10,000			
	10,59,000	12,42,000		10,59,000	12,42,000

Other details are as follows:

- (1) During the year investments worth Rs. 8,000 were sold at a price of Rs. 8,500 and new investment worth Rs. 18,000 was purchased.
- (2) Net profit of the year was Rs. 62,000 after debiting the depreciation of Rs. 70,000 on Plant and Machinery and Rs. 10,000 Provision for Taxation.
- (3) During the year Plant and Machinery worth Rs. 10,000 were sold at a price of Rs. 12,000 and the profit on the like was credited to Profit and Loss A/c.
- (4) During the year Rs. 40,000 were paid as Dividend.

OR

Describe the effects of Non-cash items on profit for the cash flow statement.

Q-2 The balance sheets of Kush Ltd. as on 31-3-2025 and 31-3-2026 are given below. **14**
 Prepare Cash Flow Statement:

Balance Sheets

Liabilities	31-3-25 (Rs.)	31-3-26 (Rs.)	Assets	31-3-25 (Rs.)	31-3-26 (Rs.)
Share Capital	3,00,000	4,00,000	Fixed Assets at cost	8,00,000	9,50,000
Capital Reserve	-	10,000	Less: Depreciation	2,30,000	2,90,000
General Reserve	1,70,000	2,00,000		5,70,000	6,60,000
P & L A/c	60,000	75,000	Investments	1,00,000	80,000
Debentures	2,00,000	1,40,000	Current Assets	2,70,000	3,10,000
Current Liabilities	1,20,000	1,30,000	Cash Balance	10,000	20,000
Provision for Revenue Tax	90,000	85,000	Preliminary Expenses	20,000	10,000
Proposed Dividend	30,000	36,000			
Unpaid Dividend	-	4,000			
	9,70,000	10,80,000		9,70,000	10,80,000

During the year 2025-2026 the body corporate:

- (1) Sold one machine for Rs. 24,000 the cost of which was Rs. 50,000 and the depreciation provided on it was Rs. 21,000.
- (2) Provided Rs. 95,000 as depreciation.
- (3) Redeemed 10% of Debentures at Rs. 103.
- (4) Sold some Trade Investments at a profit which was credited to Capital Reserve.
- (5) Decided to value stock at cost whereas previously the practice was to value stock at cost less 10%. The stock according to books on 31-3-2025 was Rs. 54,000. The stock on 31-3-2026 was correctly valued at cost Rs. 75,000.
- (6) Write off fixed assets costing Rs. 14,000 which is fully depreciated.

OR

What is Cash Flow Statement? Explain its objectives, benefits and scope.

Q-3 Explain the classification of ratios based on balance sheet.

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OR

Following is the summarized Balance Sheet of Mahesh Ltd. as on 31-3-26.

Balance Sheet

Liabilities	Rs.	Assets	Rs.
Equity Shares of Rs. 10 each	10,00,000	Fixed Assets	20,00,000
10% Preference Shares of Rs. 100 each	4,00,000	Investments	2,00,000
Reserves & Surplus	7,00,000	Closing Stock	2,00,000
15% Debentures	5,00,000	Sundry Debtors	4,60,000
Sundry Creditors	2,40,000	Bills Receivable	70,000
Bank Overdraft	2,00,000	Cash at Bank	50,000
		Preliminary Expenses	60,000
	30,40,000		30,40,000

Summarized Profit and Loss Account is as under for the year ending on 31-3-26.

Rs.

Sales (25% of Cash Sales)	80,00,000
Less: Cost of Goods Sold	56,00,000
Gross Profit	24,00,000
Net Profit (Before interest and tax 50%)	9,00,000

Calculate the following ratios:

(1) Rate of Return on Capital Employed, (2) Proprietary Ratio, (3) Debt-Equity Ratio, (4) Capital Gearing Ratio, (5) Debtors Ratio (365 days of the year), (6) Rate of Return on Equity Shareholders Funds

Q-4 Describe about the Operating Activities of Cash Flow Statement.

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OR

Explain in detail about the Financing Activities of Cash Flow Statement.

Q-5 (A) Short notes (Any three)

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1. Utility of Funds Flow Statement
2. Difference between Cash Flow and Fund Flow Statement
3. Proforma of Adjusted Profit & Loss Account
4. Debtors Ratio
5. Limitations of Ratio Analysis

(B) Choose the correct option for the questions given below and write the answer. 05

1. An increase in working capital implies?
(A) Outflow of fund (B) Inflow of fund
(C) No change in fund (D) None of the above
2. Which of the following is considered a non-cash item in accounting?
(A) Depreciation (B) Wages paid
(C) Rent received (D) Sales commission
3. Fund flow statement is fundamentally based on which concept?
(A) Cash basis of accounting (B) Accrual basis of accounting
(C) Working capital concept (D) None of these

4. Current ratio is a measure of a company's?
(A) Profitability (B) Short-term Liquidity
(C) Long-term solvency (D) Efficiency
5. Which of the following is not a source of fund?
(A) Issue of shares (B) Sale of fixed assets
(C) Payment of dividend (D) Long term loan raised
