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|--------------------|--------------|
| Freehold Property | Rs. 2,40,000 |
| Leasehold Property | Rs. 10,000 |
| Plant & Machinery | Rs. 70,000 |
4. Goodwill was paid to a company, which has gone into liquidation.
 5. Patents have a market value of Rs. 70,000.

You are required to compute Gross Capital Employed and Net Capital Employed for the purpose of calculating return on capital employed. The assets are to be valued at current replacement costs.

OR

Q.1 (a)

08

The total assets of Garden Silk Mills Limited during the year 2015 is Rs. 50,00,000 and its sales were Rs. 80,00,000. Its net profit after tax is Rs. 3,00,000. Tax rate is 40%. The budgeted figures for the year 2016 are as follows: Sales Rs. 90,00,000 and profit after tax is Rs. 3,30,000. Total assets Rs. 60,00,000. If budgeted figures are attained, what will be the change in Return on Capital Employed?

Q.1 (b)

07

From the books of Mayuri Limited, the following details are obtained:

	Rs.
Net Sales	50,00,000
Net operating profit	12,00,000
Average total assets	30,00,000
Shareholder's equity	20,00,000
Net profit after interest and tax	7,00,000

You are required to calculate

- (a) Return on capital employed for management.
- (b) Return for shareholder's purpose.

Q.2

15

Explain the Meaning and Advantages of Value Added. How Value Added Statement differs from Profit & Loss Account?

OR