

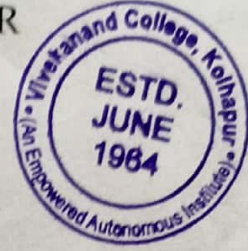
"Dissemination of Education for Knowledge, Science and Culture"
Shikshanmaharshi Dr. Bapuji Salunkhe
Shri Swami Vivekanand Shikshan Sanstha's

VIVEKANAND COLLEGE, KOLHAPUR

(An Empowered Autonomous Institute)

DEPARTMENT OF COMMERCE

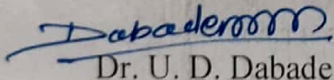
(2025-26)



NOTICE

Date: 18th February, 2026

All the students of B. Com Part- III, Group-A are hereby informed that Department of Commerce has conducted Unit Test of Advanced Accountancy Paper- III on "Working Capital" on 23rd February, 2026 at 8.20 am. Students should remain present in time in room number - 311.


Dr. U. D. Dabade

Subject Teacher

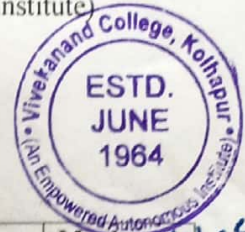


Mr. S. S. kale

Head of the department
HEAD

DEPARTMENT OF COMMERCE
VIVEKANAND COLLEGE, KOLHAPUR
(EMPOWERED AUTONOMOUS)

B. Com. III, Sem- VI
Advanced Accountancy- III
Unit Test – Working Capital
Date – 23/02/2026
Attendance



out of 16

Dr. U. D. Dabade
Subject Teacher

B. Com-III, Sem-VI
Advanced Accountancy Paper -III
Unit Test – Working Capital

from the following information of VRS Co. Ltd. estimate the working capital needed to finance a level of activity of 1,10,000 units of producing after adding 10% safety contingencies

Elements of cost	Rs. Per unit
Raw material	78
Direct labour	29
Overheads	58
Total cost	165
Profit	24
Sales	189



It is assumed that –

1. Average raw material in stock 1 month
2. Average material in process 0.5 month
3. Average finished stock 1 month
4. Credit allowed by supplier 1 month
5. Credit allowed to customer 2 months
6. Time lag in payment in wages 1.5 weeks
7. Time lag in overhead 1 month

1/4th of sales on cash basis. Cash balance is expected Rs. 2,15,000. It may be assumed that production and overheads accrue evenly throughout the year.

Solution - Statement Showing Requirements Working Capital.

Particulars	Rs.	Rs.
<u>Current Assets</u>		
Stock		
Raw Material (110000*78*1/12)	715000	
Work in progress		
Raw material (110000*78*0.5/12)	357500	
Direct labour (110000*29*0.5/12)	66458	
Overhead (110000*58*0.5/12)	132917	556875
Finished Goods (110000*165*1/12)	1512500	
Debtors (*82500*189*2/12)	2598750	
Cash	215000	
A- Current Assets		5598125
<u>Current Liabilities</u>		
Sundry Creditors (110000*78*1/12)	715000	
Lag in payment of wages (110000*29*1.5/52)	92020	
Lag in payment of Overheads (110000*58*1/12)	531667	
B- Current Liabilities		1338687
Net Working capital(A-B)		4259438
Add- Contingencies (10% on Net working capital)		425944
Requirement of working capital		4685382

Note - *110000*3/4 = 82500 credit sales

Working Capital

The following information of Narrow Product Ltd.
Estimate the working capital needed to organization.

Element of Cost	(₹) Per Unit
Material	78
Direct Labour	29
Overheads	58
Total Cost	165
Profit	24
Sales	189

It is assumed that

- 1) Average raw material in stock 1 month.
- 2) Average material in process 0.5 month.
- 3) Average finished stock 1 month.
- 4) credit allowed by Supplier 1 month.
- 5) credit allowed to customer 2 months.
- 6) Time Lag in payment in wages 1.5 weeks.
- 7) Time Lag in overheads 1 month.
- 8) 1/4 sales is on cash basis.
- 9) Cash balance is expected ₹ 215000.
- 10) The level of activity of 110000 units.
- 11) Add 10% Safety Contingencies.

Statement Showing working Capital

Particular	₹	₹
A) current Assets		
Stock		
Raw Material		
$\left(110000 \times 78 \times \frac{1}{12} \right)$	715000	
Work in Progress		
Material		
$\left(110000 \times 78 \times \frac{0.5}{12} \right)$	357500	
Labour		
$\left(110000 \times 14.5 \times \frac{0.5}{12} \right)$	66458	
Overheads		
$\left(110000 \times 29 \times \frac{0.5}{12} \right)$	132917	
Finished Goods		
$\left(110000 \times 165 \times \frac{1}{12} \right)$	1512500	
Debtors		
$\left(\overset{82500}{40000} \times 189 \times \frac{2}{12} \right)$	2598750	
Cash	215000	
A) Total current Assets		5598125

Current Liabilities

Creditors

$$\left(110000 \times 78 \times \frac{1}{12} \right)$$

715000

Time Lag in Payment

$$\left(110000 \times 29 \times \frac{1.5}{52} \right)$$

92019

Time Lag in overheads

$$\left(110000 \times 58 \times \frac{1}{12} \right)$$

531667

B) Total Current Liabilities

1338686

Net working Capital (A-B)

4259439

Add - 10% Contingencies

425944

Requirement of Working Capital

4685383

Working Note

$$\frac{1}{4} \text{ Sales of Cash basis}$$

then, $\frac{3}{4}$ sales for credit basis

$$= 110000 \times \frac{3}{4}$$

$$= 82500$$

Unit Test

Advanced Accountancy - I (Sem VI)

Working Capital

Shruti Umesh Gavali

The following information of narrow product Ltd, estimate the working capital needed to org-anization.

Elements of cost	Rs. per unit
Raw Material	78
Direct Labour	29
Overheads	58
Total Cost	165
Profit	24
Sales	189

It is assumed that,

- ① Average raw material in stock 1 month. CA
- ② Average material in process 0.5 month. CA
- ③ Average finished stock 1 month. CA
- ④ Credit allowed by supplier 1 month. CL
- ⑤ Credit allowed to customer 2 months. CA
- ⑥ Time lag in payment in wages 1.5 weeks. CL
- ⑦ Time lag in overheads 1 month. CL
- ⑧ $\frac{1}{4}$ sales is on cash basis. CA
- ⑨ Cash balance is accepted Rs. 2,15,000
- The level of activity of 1,10,000 units.
Add 10% safety contingency.

Statement Showing Requirement of Working Capital

Particulars

₹

₹

A Current Asset

① Raw material

$$(1,10,000 \times 78 \times \frac{1}{12})$$

7,15,000

② Work in progress Material

$$(1,10,000 \times 78 \times \frac{0.5}{12}) = 3,57,500$$

Labour

$$(1,10,000 \times 14.5 \times \frac{1}{12}) = 13,29,166$$

Overheads

$$(1,10,000 \times 29 \times \frac{1}{12}) = 2,65,833$$

Finished Stock (Total Cost)

$$(1,10,000 \times 165 \times \frac{1}{12}) = 15,12,500$$

Debtors (Sales)

$$(1,10,000 \times 189 \times \frac{2}{12}) = 25,98,750$$

48,67,500

$$\text{on cash basis} = 1,10,000 \times \frac{3}{4} = 82,500$$

Cash

21,500

[A] Total Current Asset

57,97,500

B Current Liabilities

① Creditors

$$(1,10,000 \times 78 \times \frac{1}{12})$$

7,15,000

② Lag in payment in wages

$$(1,10,000 \times 29 \times \frac{1.5}{12})$$

9,20,19

③ Lag in overheads

$$(1,10,000 \times 58 \times \frac{1}{12})$$

(5,31,666)

5,31,667

[B] Total Current Liabilities

13,38,686

Net Working Capital (A - B)

44,58,814

44,58,814



ing
Add - 10% contingency
Requirement of working
Capital.

44,588



49,04,695

Advanced Accountancy

Test no-3



name - kavita Gunda panda

roll no - 6719

date - 23-2-2026

class - Bcom III sem-VI

working capital

18
16
D. abhulani

problem-1

- The following information of narrow product Ltd. estimated working capity needed to organisation.

elements of cost	₹ per unit.
material	78
direct labour	29
overheads	58
Total cost	165
profit	24
sales	189

- It is assumed that

- 1) average raw material in stock 1 month
- 2) average material in process 0.5 month
- 3) average finished stock 1 month
- 4) credit allowed by supplier 2 month
- 5) credit allowed by customer 2 month
- 6) time lag in payment in wages 15 weeks
- 7) Time lag in overheads 1 month
- 8) $\frac{1}{4}$ sales is on cash basis.
- 9) cash balance is expeted ₹ 215000



FOR EDUCATIONAL USE



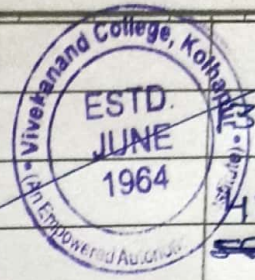
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statement showing changes in working capital.

DATE			PAGE NO.

	particulars	Rs. ₹	Rs. ₹
A]	current assets -		
	stock		
	raw material		
	$[1,10,000 \times 78 \times \frac{1}{12}]$	715000	
	work in progress		
	material		
	$[1,10,000 \times 78 \times \frac{0.5}{12}] = 357500$		
	labour		
	$[1,10,000 \times 14.5 \times \frac{0.5}{12}] = 66458$		
	overheads		
	$[1,10,000 \times 29 \times \frac{0.5}{12}] = 132917$	556815	
	finished goods		
	$[1,10,000 \times 165 \times \frac{1}{12}]$	1512500	
	debtors		
	$[1,10,000 \times 82500 \times 189 \times \frac{2}{12}]$	2598750	
	cash	215000	
	Total current assets		5598125
			6977708
B]	current liabilities -		
	creditors		
	$[1,10,000 \times 78 \times \frac{2}{12}]$	715000	
	Lag in wages		
	$[1,10,000 \times 29 \times \frac{15}{52}]$	1430000	
	Lag in overheads		
	$[1,10,000 \times 58 \times \frac{1}{12}]$	92019	
		531667	





Total current liability

1338686

net working capital
(A-B)

4259439

~~5639029~~

add - contingency

425944

~~5639029~~

Requirement of working
capital.

4685383

~~6202924~~

Total current liability

1338686

net working capital
(A-B)

4259439

add - contingency

425944

requirement of working
capital

4685383

working note -

$$1100000 \times \frac{3}{4} = 825000$$

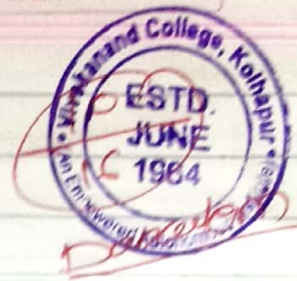
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Date: 23/02/2026

Advance Accountancy
Unit Test
Working capital

DATE: / /



Name: - Saniya S Patvegar
Group: A Div: B

The following information of Narrow Product Ltd. Estimate the working capital needed to organization.

Element of cost	₹ per unit
Material	78
Direct Labour	29
Overheads	58
Total cost	165
Profit	24
Sales	189

It is assumed that,

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- 6) Time lag in payment in wages 1.5 weeks.
- 7) Time lag in overheads 1 month.
- 8) 1/4th sales is on cash basis.
- 9) cash balance is expected ₹ 215000.
- 10) The level of activity of 110000 units.
- 11) Add 10% safety contingencies.

Particulars	₹	₹
<u>A) Current Assets</u>		
- Raw Material ($110000 \times 78 \times 1/12$)	715000	71500
- <u>Work in Process</u>		
- Raw Material ($110000 \times 78 \times 1/12$)	715000	X
- Direct Labour ($110000 \times 14.5 \times 0.5/12$)	66458	
- Overheads ($110000 \times 29 \times 0.5/12$)	132917	91437
- Finished Goods ($110000 \times 165 \times 1/12$)		151250
- Debtors ($110000 \times 189 \times 2/12$) ($82500 \times 189 \times 2/12$)		2598750
- Cash		215000
<u>(A) Total current Assets</u>		5955625
<u>B) Current Liabilities</u>		
- Creditors ($110000 \times 78 \times 1/12$)	715000	
- o/s Wages ($110000 \times 29 \times 1.5/12$)	92019	
- o/s Overheads ($110000 \times 58 \times 1/12$)	531667	1338686
<u>(B) Total current liabilities</u>		1338686
<u>Net current working capital. (A-B)</u>		4616939
(+) safety contingency 10%		461694
<u>Requirement of working capital.</u>		5078633