

- Q5. What do you mean by management Audit? Write down the importance of management audit?
- Q6. What do you mean by management reporting? Write down the principles of good reporting?
- Q7. The following are the summarized balance sheets of X Ltd. On 31st Dec. 2014 and 31st Dec. 2015 :

Liabilities	2014	2015	Assets	2014	2015
Share Capital	6,00,000	8,00,000	Plant & machinery (at cost)	4,00,000	6,45,000
Debentures	200,000	3,00,000	Land & Building (at cost)	3,00,000	4,00,000
Profit & Loss A/c	1,25,000	2,50,000	Stock	3,00,000	3,50,000
Creditors	1,15,000	90,000	Bank	20,000	40,000
Provisions for bad and doubtful debts	6,000	3,000	Preliminary expenses	7,000	6,000
Provision for depreciation			Debtors	69,000	61,000
–On hand & Building	20,000	24,000			
–On Plant & Machinery	30,000	35,000			
	10,96,000	15,02,000		10,96,000	15,02,000

Additional Information :

- (a) During the year a part of machinery costing Rs. 70,000 (accumulated depreciation thereon Rs 2,000) was sold for Rs 6,000.
- (b) Dividends of Rs. 50, 000 were paid during the year. You are required to ascertain :
- Changes in working capital for 2015.
 - Fund flow statement.