



B.B.A. V Semester (CBCS) Degree Examination, March/April - 2022
MANAGEMENT

Management Accounting

Time : 3 Hours

Maximum Marks : 70

Instruction : Section-D is compulsory.

SECTION - A

1. Answer **any ten** questions from the following. [Each carries **two** marks] **10x2=20**
- Define Management Accounting.
 - Write four limitations of Management Accounting.
 - Distinguish between Cash and Fund.
 - What is fund from operation ?
 - What do you understand by Ratio Analysis ?
 - List out any four types of reports.
 - What is meant by budgeting ?
 - What is Zero budget ?
 - Mention any two tools and techniques of Management Accounting.
 - What is budget period ?
 - What do you mean by current assets ?
 - What is cash flow statement ?

SECTION - B

- Answer **any four** questions from the following. [Each carries **five** marks] **4x5=20**
2. Distinguish between Management Accounting and Cost Accounting.
3. Given the current ratio=2.8, acid test ratio=1.5, working capital= ₹ 1,44,000.
Find out :
- Current assets
 - Current Liabilities
 - Liquid assets



P.T.O.

4. Calculate Fund from operation :

Net profit on 1-1-2008	1,00,000
Depreciation on plant	15,000
Goodwill written off	10,000
Proposed Dividend	15,000
Provision for tax	8,000
Dividend Received	10,000
Profit on Sale of Furniture	8,000
Net profit on 31/12/2008	1,40,000

5. From the following particular of Vinayaka Co., Ltd., prepare balance sheet by calculating as much as possible.

Current Ratio = 1.6 : 1

Stock turnover ratio = 8 times

Total Assets turnover ratio = 3 times

Average collection period = 18 days

Long term debt on equity = 40%

Gross profit (20% of sales) ₹ 60,000

Shareholders equity ₹ 50,000

Cash sales 20% of total sales.

6. What are the General principles of good reporting system ?**7. How budget are classified ? State the types of budget under its classification.**

SECTION - C

Answer **any two** questions from the following. [Each carries **ten** marks] **2x10=20**

8. From the following Balance Sheet of Super Co., Ltd., you are required to prepare Cash Flow Statement for the year ending 31-3-2008.

Balance Sheet

Liabilities	2007	2008	Assets	2007	2008
Equity share capital	90,000	1,20,000	Cash in hand	4,500	3,000
8% preference Shares	45,000	30,000	Cash at bank	3,000	2,400
General Reserve	12,000	21,000	Debtors	48,000	60,000
Proposed dividend	12,600	15,000	Stock	23,100	32,700
Creditors	16,500	24,900	Plant	24,000	60,000
Bills payable	6,000	4,800	Land and Building	60,000	51,000
Provision for tax	12,000	15,000	Goodwill	34,500	27,000
Profit & Loss a/c	9,000	14,400	Bills Receivable	6,000	9,000
	2,03,100	2,45,100		2,03,100	2,45,100

Additional Information :

- (a) An interim dividend of ₹ 6,000 has been paid in 2008.
- (b) ₹ 10,500, Income tax was paid during 2008.
- (c) Depreciation of ₹ 3,000 on plant and ₹ 6,000 on Land and Building have been charged in 2008.



9. Following are the Balance Sheet of Big Brothers and Co., Ltd., as on 31st December 2006 and 2007.

Balance Sheet

Liabilities	2006	2007	Assets	2006	2007
Share capital	2,78,000	2,90,000	Cash	36,000	31,200
Share premium	2,000	6,000	Debtors	59,600	70,800
Debentures	48,000	24,000	Stock	1,96,800	1,70,800
Creditors	40,000	47,360	Land	80,000	1,20,000
Provision for doubtful debt	2,800	3,200	Goodwill	40,000	20,000
Profit & Loss account	41,600	42,240			
	4,12,400	4,12,800		4,12,400	4,12,800

Additional Information :

- (a) Dividend were paid of ₹ 14,000
- (b) Debentures redeemed of ₹ 24,000
- (c) Land was purchased for ₹ 40,000
- (d) Amount provided for amortization of Goodwill ₹ 20,000

You are required to prepare statement showing sources and Application of funds.

10. What is Management Accounting ? Explain objectives and functions of it.

SECTION - D

Note : Compulsory

1x10=10

11. The following data are available in a manufacturing company for a yearly period :

Fixed Expenses :

Wages and Salaries	₹ 9,50,000
Rent, Rates and taxes	₹ 6,60,000
Depreciation	₹ 7,40,000
Sundry Expenses	₹ 6,50,000



Semi-variable Expenses (at 50% capacity)

Maintenance and Repairs	₹ 3,50,000
Indirect Labour	₹ 7,90,000
Sales Dept. Salaries	₹ 3,80,000
Sundry Admin. Salaries	₹ 2,80,000

Variable Expenses (At 50% of Capacity)

Material	₹ 21,70,000
Labour	₹ 20,40,000
Other Expenses	₹ 7,90,000
Total cost	<u>98,00,000</u>

Assume that the fixed expenses remain constant for all levels of production;

Semi-variable expenses remain constant between 45% and 65% of capacity, increasing by 10% between 65% and 80% of capacity and by 20% between 80% and 100% of capacity.

Sales at various levels are :

50% capacity	₹ 100 Lakhs
60% capacity	₹ 120 Lakhs
75% capacity	₹ 150 Lakhs
90% capacity	₹ 180 Lakhs
100% capacity	₹ 200 Lakhs

Prepare a Flexible budget for the year and forecast the profit at 60%, 75%, 90% and 100% of capacity.

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