

B.B.A. (CBCS Pattern) Semester-IV
UCB4C06 - Management Accounting

P. Pages : 4

Time : Three Hours



GUG/W/24/12030

Max. Marks : 80

- Notes : 1. All questions are compulsory.
2. All questions carry equal marks.

1. a) State the importance & limitation of Management Accounting. **8**

b) Rajesh Ltd has prepared a budget for the production of lakh units of the only commodity manufactured by them for a costing period as under. **8**

Raw Material Rs. 2.52 Per unit

Direct Labour Rs. 0.75 Per unit

Direct expenses Rs. 0.10 Per unit

Work overhead (60% Fixed) Rs. 2.50 Per unit

Administration overhead (80% Fixed) Rs. 0.40 per unit

Selling overhead (50% Fixed) Rs. 0.20 Per unit

The actual production during the period was only 60,000 unit, Calculate the revised budgeted cost per unit.

OR

c) The following information is extracted from the various functional budgets prepare for the concern whose financial year starts from 1st April. **16**

Month	Sales	Material	Wages	Manufig.	Admn.	Selling Exp.	Distribution Exp.
Jan.	120000	50000	20000	16000	6000	8000	6000
Feb.	140000	60000	22000	18000	8000	8000	8000
March	120000	60000	22000	18000	8000	8000	8000
April	100000	50000	20000	16000	6000	10000	6000
May	90000	36000	18000	14000	6000	8000	4000
June	130000	60000	18000	14000	6000	6000	4000
July	140000	60000	20000	16000	8000	6000	6000
August	150000	80000	20000	16000	8000	8000	8000
Sept.	160000	60000	22000	18000	8000	8000	8000

- 1) Plant to be purchased for Rs.1,20,000. The price to be paid in six equal installments to start in June.
- 2) A provision of Rs. 10,000 per month has to be made for machinery purchased in the previous period.
- 3) A commission of 10% is required to be paid on sales in the month of following the actual sales.
- 4) Cash sales would amount to Rs. 8000 per month on which commission is payable.
- 5) Dividend to shareholder amounting to Rs. 2,00,000 to be paid on 1st July.
- 6) Interest on Investment to Rs.1,60,000 will be received on 1st August.
- 7) Income tax to be paid in August Rs.60,000.
- 8) Balance of call on ordinary share to be received on 1st April Rs.80,000

Prepare cash Budget for six month from April to September. The periods of Credit allowed to debtors and allowed by creditors are 3 month and 2 month respectively and payment of wages and overhead expenses are made one month in arrears. The estimated cash balance on 1st April was Rs.2,00,000.

2. a) From the following data you are required to calculate B.E.P. and net sales value at this point. 8
- Direct Material cost p.u. Rs. 8
 Direct Labour cost p.u. Rs. 5
 Fixed overhead Rs. 24000
 Variable overhead 60% of direct labour
 Selling price p/u Rs.25
 Trade discount 4%
 If sales are 15% and 20% above the Break Even Point then determine the Net Profit.

- b) Given 8
- Sales per unit Rs. 18
 Variable cost per unit Rs. 12
 Fixed cost Rs. 24000
 Calculate:
 1) BEP
 2) Sales to earn profit per unit of Rs. 4
 3) If selling price increase by Rs. 2
 Per unit and sales to earn a profit of Rs. 12000

OR

- c) Given that 16
- Fixed cost Rs.1,00,000
 Selling price Rs. 100 per unit
 Variable cost Rs. 75 per unit
 Estimate that impact of the following on BEP if
 1) 20% increase in variable cost
 2) 20% increase in fixed cost
 3) 20% decrease in fixed cost but 20% increase in variable cost
 4) 20% increase in fixed cost but decrease in variable cost

3. a) Given 8
- Gross profit ratio = 25%, Net Profit Ratio = 20%, Gross Profit = Rs.12000
 Calculate Sales and Net profit
- b) Stock turnover ratio = 8 times, sales = Rs. 2,00,000, Gross Profit = Rs.40,000, Opening Stock = Rs. 16,000 Calculate closing stock. 8

OR

- c) From the following statement of Vaibhav Co. Ltd for the year ended 31/03/2022. You are required to rearrange the items in the form of financial statement and calculate the following ratios. 16
- | | |
|----------------------------------|---------------------------|
| 1) Current Ratio | 2) Liquid Ratio |
| 3) Operating Ratio | 4) Stock turnover Ratio |
| 5) Turnover to Fixed asset Ratio | 6) Debtors Velocity Ratio |
| 7) Creditors velocity Ratio | |

Balance Sheet As at 31/03/2022

Liabilities	Amount	Asset	Amount
100000 equity share of Rs. 5 each	5,00,000	Land & Building	4,50,000
General Reserve	3,00,000	Plant & Machinery	2,50,000
P/L Account	2,00,000	Stock	2,00,000
Sundry creditors	2,00,000	Sundry debtors	2,00,000
		Cash at bank	1,00,000
	12,00,000		12,00,000

Trading and Profit & Loss Account for the year Ended 31/03/2022

Particular	Amount	Particular	Amount
To opening stock	1,00,000	By sales (Credit sales less returns)	16,00,000
To purchase (Credit)	8,00,000	By closing stock	2,00,000
To gross profit	9,00,000		
	18,00,000		18,00,000
To office & admin exp.	2,00,000	By gross profit	9,00,000
To selling & district exp	1,00,000	By profit on sale of fixed asset	25,000
To other exp.	25,000		
To Net profit	6,00,000		
	9,25,000		9,25,000

4. a) With the help of the following information prepare Statement showing changes in working capital. 8

Asset	2012	2013
Cash	35,000	75,000
Account receivable	98,000	90,000
Merchandise Inventory	87,000	1,20,000
Long term investment	15,000	10,000
Land	20,000	30,000
	2,55,000	3,25,000
Liabilities		
Account payable	50,000	45,000
Notes Payable (short term)	20,000	35,000
Notes Payable (Due on 2014)	-----	20,000
Capital Stock	1,25,000	1,50,000
Retaining Earning	60,000	75,000
	2,55,000	3,25,000

- b) Prepare Fixed asset account from the following and calculate the amount of asset purchased. 8

Particular	Amount
Fixed asset on 31/03/2015 (Net)	4,50,000
Accumulated Dep. On 31/03/2015	1,50,000
Fixed asset on 31/03/2016 (Net)	5,20,000
Accumulated Dep. On 31/03/2016	1,60,000

Asset Costing Rs.80,000 was sold for Rs.30,000. Accumulated depreciation on this asset was Rs. 40,000.

OR

c) From the following balances of Vidharbha Company Ltd. Prepare Fund flow statement.

16

Particular	31/12/2020	31/12/2021
Cash	20,000	25,000
Inventories	31,000	32,000
Account receivable	24,000	27,000
Other current asset	8,000	7,000
Fixed asset	50,000	58,000
Accumulated depreciation	21,000	25,000
Account payable	20,000	21,000
Long term debt	14,000	13,000
Equity capital	50,000	53,000
Retain earning	28,000	37,000

Additional Information:

- 1) Fixed asset costing Rs. 12,000 were purchased for cash.
- 2) Fixed Asset (original cost Rs. 4000 accumulated depreciation Rs.1500) were sold at book value.
- 3) Depreciation for the year 2021 amounted to Rs. 5000
- 4) Dividend was paid in 2021 Rs. 3000.

5. Short note

- a) Scope of Management Accounting. 4
- b) Objective of Ratio Analysis. 4
- c) Profit Volume ratio. 4
- d) Use of fund flow statement. 4
