

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

P. Pages : 4

Time : Three Hours



GUG/S/23/12030

Max. Marks : 80

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

1. a) Define management accounting. Explain its merits. 8
- b) Rajesh Engineering work had prepared his budget for 2010 Based on production of 1,00,000 unit for their only product on following Amt of ₹1000. 8

Particulars	₹
Raw Materials	252
Direct labour	75
Direct Exp	10
Work overhead (60% Fixed)	225
Administrative overhead	40
Selling overhead (50% Fixed)	20

Actual production is to be estimated for 60,000 unit. Calculate cost per unit show the flexible Budget.

OR

- c) A company expected to have ₹25,000 in bank on 1st May 2022 and required you prepare and estimate of cash position during the three month May, June & July 2022. The following information is supplied to you. 16

Month	Sales	Purchase	Wages	Factory Exp	Office Exp	Selling Exp
March	50,000	30,000	6,000	5,000	4,000	3,000
April	56,000	32,000	6,500	5,500	4,000	3,000
May	60,000	35,000	7,000	6,000	4,000	3,500
June	80,000	40,000	9,000	7,500	4,000	4,500
July	90,000	40,000	9,500	8,000	4,000	4,500

Other information

- 1) 20% of sale are in cash remaining amount is collected in the month following the month of sales.
- 2) Supplier supply Goods at 2 Month credit.
- 3) Wages & all other Exp are paid in the month of following the one in which they are incurred.
- 4) The company paid dividend to shareholder and Bonus to the worker ₹10,000 & Rs. 15,000 respectively in the month of May.
- 5) Plant has been order and is expected to be received in June it will cost ₹80,000 to be paid in June.
- 6) Income tax ₹25,000 is payable in July.

2. a) Given . 8
 Material P. U. ₹5
 Labour P. U. ₹6
 Variable overhead 50% of labour
 Selling price P.U ₹20
 Fixed cost = ₹30,000
 Calculate
 1) p/v Ratio
 2) B.E.P.
 3) B.E.P. If discount is allowed 5%
 4) Profit If sale are 20% above B.E.P.

- b) Given 6

Year	2020	2021
Sale	1,20,000	1,50,000
Loss	18,000	12,000

Calculate

- 1) p/v Ratio
 2) B.E.P.
 3) Variable cost per 2021

OR

- c) Calculate 16
 1) P/v Ratio
 2) B. E. P Rs and unit
 3) Profit on sale of ₹2,40,000
 4) Sale to earn profit of ₹60,000
 5) Margine of safty on profit ₹15,000
 6) It fixed cost increase by ₹10,000 then what will be effect on B. E. P.
 When ; Selling price P.U. ₹40
 Variable cost P. U. = ₹24 Fixed cost : ₹48,000

3. a) Calculate stock turnover Ratio and gross profit ratio. 8
- | | |
|---------------|-----------|
| Opening stock | ₹60,000 |
| Closing stock | ₹80,000 |
| Sales | ₹2,20,000 |
| Sales Return | ₹20,000 |
| Purchase | ₹1,60,000 |

- b) A company G. P. Ratio = 25% N. P. Ratio = 10% and net profit for the year is ₹80,000. 8
 Find out =
 1) Gross profit
 2) Cost of Goods sold
 3) Operating exp &
 4) Operating Ratio.

OR

- c) The comparative statement of Income and financial position are given below- 16
- | | 2020 | 2021 |
|-----------------------|----------|----------|
| Net sales | 1,00,000 | 1,50,000 |
| Less :- cost of sales | 70,000 | 1,10,000 |
| Gross profit | 30,000 | 40,000 |
| Less : operating exp | 20,000 | 25,000 |
| Net profit | 10,000 | 15,000 |

Cash in hand	5,000	8,000
Cash at Bank	4,000	2,000
Debtors	40,000	25,000
Stock	15,000	10,000
Fixed Assets	56,000	65,000
	1,20,000	1,10,000
Creditors	36,000	12,000
Bill payable	2,000	1,000
Mortgage Loan	10,000	20,000
Equity share capital	60,000	70,000
Reserve & surplus	12,000	7,000
	1,20,000	1,10,000

Your are required to calculate the following ratio for both the year.

- 1) Current Ratio
- 2) Acid test ratio
- 3) Stock turnover ratio
- 4) Debtors turnover ratio
- 5) Average collection period. (working days 360)

4. a) With the help of following information.

8

Prepare statement of changes in working capital

Particulars	2020 ₹	2021 ₹
Cash	65,000	35,000
Account Receivable	90,000	98,000
Stock	1,20,000	87,000
Prepaid exp	10,000	15,000
Fixed Assets	40,000	20,000
	3,25,000	2,55,000
Bill payable	35,000	20,000
Account payable/creditors	45,000	50,000
Debenture	20,000	-
Share capital	1,50,000	1,25,000
Profit & Loss A/c	75,000	60,000
	3,25,000	2,55,000

- b) Prepare statement of sources & application fund

8

Particulars	₹
Sale of machinery	15,000
Purchase of furniture	8,000
Redemption of debenture	30,000
Dividend paid	20,000
Share capital issue 5,000 share of ₹10 each at premium of ₹2 per share all are received	
Good will written off	3,000
Profit from operation	50,800
Increase in working capital	12,500
Purchase of machinery	55,300

OR

c) Balance sheet of Nikhil co. ltd for the year 2021 & 2022 are as follows –

16

Particulars	2021 ₹	2022 ₹
Share capital	3,00,000	3,50,000
General reserve/surpluse	1,10,000	2,70,000
Pref. share capital	2,00,000	1,00,000
Debenture	1,00,000	2,00,000
Provision for Doubt full Debts	10,000	15,000
Current Liabilities	70,000	1,45,000
	7,90,000	10,80,000
Fixed Assets	5,10,000	6,20,000
Investment	30,000	80,000
Current Assets	2,40,000	3,75,000
Discount on Debenture	10,000	5,000
	7,90,000	10,80,000

Adjustment:

- 1) A machine costing ₹70,000 (Book value 40,000) was sold for ₹25,000
 - 2) Pref. Share were Redeemed at 5% premium.
 - 3) Dividend @ of 15% paid on equity share for the year 2022.
 - 4) Provision for depreciation at ₹1,50,000 on 31-12-2021 & ₹1,90,000 on 31-12-2022
- Prepare fund flow statement.

5. Write short answer.

- | | |
|--|---|
| a) Importance of budgetary control. | 4 |
| b) Advantage of Break even point analysis. | 4 |
| c) Limitations of Ratio Analysis. | 4 |
| d) use of fund flow statement. | 4 |
