

B.C.C.A. (CBCS Pattern) Sem-IV  
**UBCCAT402 - Management Accounting**

P. Pages : 4

Time : Three Hours



**GUG/W/22/12046**

Max. Marks : 40

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

1. a) What are the characteristic/Technique of Budgetary control. 4
- b) Rajendra Manufacturing co. prepared its budget for 2006 based on production of 1,00,000 units for these products. 4

Particulars	₹
Raw materials	2,52,000
Direct Labour	75,000
Direct Expenses	10,000
Work overhead	2,25,000 (60% fixed)
Administration overhead	40,000 (100% fixed)
Selling overhead	20,000 (50% fixed)

You are required to prepare flexible budget for production of 60,000 and 1,00,000 unit.

**OR**

- c) Prepare Cash Budget for April to June 2011 8

Month	Sales ₹	Purchase ₹	Wages ₹	Expenses ₹
Jan.	1,60,000	90,000	40,000	10,000
Feb.	1,60,000	80,000	36,000	12,000
Mar.	1,50,000	84,000	44,000	12,000
April	1,80,000	1,00,000	48,000	14,000
May	1,70,000	90,000	40,000	12,000
June	1,60,000	70,000	36,000	10,000

Additional Information.

- All sales supposed to be in cash
- 10% of the purchase are in cash
- Credit purchase are paid after one month
- Wages are paid half monthly and expenses are paid in the same month
- Cash balance as on 1<sup>st</sup> April, 2011 is 20,000 ₹

2. a) From the following details find out. 4
- a) profit volume Ratio, (b) B.E.P. (C) Margin of safety

Sales 100000	Fixed cost 20000
Total cost 80000	Net profit 20000

- b) From the following find out 4
- Profit volume ratio
  - Break-even point in Rs.
  - Sales for 40% PV Ratio
  - Margin of safety from the sales ₹ 3,00,000

- 5) Net profit from the sales for ₹ 3,00,000
- 6) Required sales for the net profit of ₹ 70,000.
- 7) Additional sales required to cover an increase of ₹ 3000 p.a. in the sales Manager's salary position of the company for the year 2000:

Sales	200000
Variable cost	150000
	-----
Gross profit (contribution)	50000
Fixed over head	15000
	-----
Net profit	35000

**OR**

- c) Position of M/s Shashi & Co. for the year 2010-11 was as under.

**8**

Sale	400000
Less: variable cost	300000
	-----
Contribution	100000
Less: Fixed cost	60000
	-----
Net profit	40000

Calculate :

- 1) Profit volume Ratio
- 2) Break Even Point
- 3) Net Profit from the sales of ₹ 5,00,000
- 4) Margin of safety from the sales 5,00,000 ₹
- 5) Required sales for the net profit of ₹ 70,000
- 6) Margin of safety on the profit of ₹ 60,000
- 7) Additional sales required to cover an increase of ₹ 4,000 per annum in the sales manager salary.

3. a) Financial statement of Raj Kiran co. on 31<sup>st</sup> Dec. 2014 is as follows:

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Sales	5,00,000
Less: cost of goods sold	3,00,000
	-----
Gross profit	2,00,000
Less: Administrative Exp.	98,000
Selling & Dis exp.	22,000
	-----
	1,20,000
	-----
Net profit	80,000

Calculate

- 1) Gross profit ratio
- 2) Net profit ratio
- 3) Operating ratio
- 4) Administrative ratio
- 5) selling and distribution exp.

- b) The working capital position of a company is as under.

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Cash	3,500
Debtors	17,500
Stock	28,000
Creditors	24,500
Bank over draft	10,500

Compute current Ratio & quick ratio

OR

- c) Following is the summarised Balance sheet of a concern as at 31<sup>st</sup> Dec.

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Liabilities		Assets	
6% Pref. share capital	1,50,000	Goodwill	20,000
Equity share capital	2,50,000	Land & Buildings	2,50,000
General reserve	20,000	Machinery	1,75,000
P & L A/c	15,000	Furniture	10,000
5% Debentures	1,00,000	Stock	90,000
Sundry Creditors	28,000	Sundry Debtors	21,000
Bills Payable	12,000	Cash at Bank	5,000
	-----	Preliminary exp.	4,000
	5,75,000		-----
			5,75,000

Other Information

Total sales ₹ 4,00,000 : 20% of which is made on credit. Gross profit and Net profit (after tax) for the year ended amounted to ₹ 80,000 and ₹ 20,000 respectively.

Calculate:

- 1) Current Ratio
- 2) Liquid Ratio
- 3) Gross Profit Ratio
- 4) Net Profit Ratio
- 5) Stock Turnover Ratio
- 6) Debtors Turnover Ratio
- 7) Working capital turnover Ratio

4. a) From the following information prepare a statement of changes in working capital.

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P.	2011 ₹	2012 ₹
Share Capital	3,60,000	4,44,000
Stock	2,64,000	96,000
Advances debit	7,800	9,000
Creditors	2,40,000	2,34,000
Debtors	1,70,000	1,90,000
Reserve for Doubtful Debt	2,000	4,000
Cash	60,000	72,000
Machinery	48,000	96,000
Outstanding exp.	24,000	48,000
Income tax payable	12,000	13,200

- b) Calculate profit from an operation from the following information. 4
- |  |           |
|--|-----------|
| 1) Net profit shown by P & L A/c (31 <sup>st</sup> March 2011)     | 32,000 ₹  |
| 2) Net profit shown by P & L A/c (1 <sup>st</sup> April 2010)      | 24,000    |
| 3) Depreciation provided on a machine costing ₹ 1,00,000 @ 10%p.a. |           |
| 4) Issuing of share  | 50,000    |
| 5) Loss on sale of old machine                                     | 5,000     |
| 6) Motor car sold, cost price ₹140000                              | 1,50,000  |
| 7) Provision for Taxation  | 20,000    |
| 8) Purchases of plant  | 22,40,000 |
| 9) Preliminary exp. written off                                    | 10,000    |
| 10) Dividend paid  | 90,000    |
| 11) Increase in working capital                                    | 76,000    |
| 12) Bills Payable  | 64,000    |
| 13) Provision for R.D.D.   | 12,300    |
| 14) Profit on sale of plant  | 20,000    |

**OR**

- c) The following are summarised Balance sheets of Adity Ltd. as on 31<sup>st</sup> Dec. 2014 and 31<sup>st</sup> Dec. 2015. Prepare statement of sources and application of fund and supporting schedule for working capital. 8

Particular	31-12-14	31-12-14
Assets:	₹	₹
Building	50,000	50,000
Machinery	24,000	34,000
Stock	9,000	7,000
Debtors	16,500	19,500
Bank	4,000	9,000
	1,03,500	1,19,500
Liabilities		
Share capital	80,000	85,000
Profit & Loss A/c	14,500	24,500
Creditors	9,000	5,000
Sinking fund	-	5,000
	1,03,500	1,19,500

**Additional Information**

- 1) Taxes paid during the year 2015 were ₹ 1000
- 2) During the year dividend of ₹ 2000 was paid
- 3) Depreciation on machinery was ₹ 3000
- 4) A machine with a book value of ₹ 5000 was sold during the year for ₹ 6000

**5. Write short answer.**

- i) Distinguish between cost Accounting and Management Accounting. 2
- ii) Write the importance of Break even point. 2
- iii) Explain the objective Ratio Analysis. 2
- iv) Define fund flow statement. 2

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