

B.C.C.A. CBCS Pattern Semester-IV
UBCCAT402 - Management Accounting

P. Pages : 5

Time : Three Hours



GUG/S/24/12046

Max. Marks : 40

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

1. a) Define Management Accounting. Explain its advantages and disadvantages. **4**
- b) A company is expecting to have Rs. 25,000 cash in hand of 1st April 2022 and its requires you prepare an estimate of cash position during the three months April to June. The following information is supplied to you. **4**

Month	Sales	Purchases	Wages	Expenses
February	70,000	40,000	8,000	6,000
March	80,000	50,000	8,000	7,000
April	92,000	52,000	9,000	7,000
May	1,00,000	60,000	10,000	8,000
June	1,20,000	55,000	12,000	9,000

Other Information:

- i) Period of credit allowed by suppliers two months.
ii) 25% of sale is cash and period of credit allowed to customers for credit sales one month.
iii) Delay in payment of wages and expenses one month.
iv) Income tax of Rs. 25,000 is to be paid in June, 2022.

OR

- c) The following data are available from the books of Lavanya Manufacturing Company for the year ended on 31st Dec. 2023. **8**

Particular	Amt Rs. in Lakhs
Fixed Expenses	
Salaries	8.4
Rent, Rates and Tax	5.6
Depreciation	7.0
Sundry Administration	8.9
	29.9
Variable Expenses (At 50% capacity)	
Material	24.0
Labour	25.6
Sundry	3.8
	53.4
Semi Variable Expenses (at 50% capacity)	
Repairs and maintenance	2.5
Indirect Labour	9.9
Sale department salaries	2.9
Sundry Administration	2.6
	17.9

Assuming that, Fixed expenses remains constant at all levels of Production, Variable Expenses varies proportionately and semi-variable expenses remains. Constant between 45% and 65% capacity. Increase by 10% between 65% and 80% capacity and by 20% between 80% and 100% capacity.

Sales at various levels are:

60%	100.00 (lakhs)
70%	120.00 (lakhs)
90%	150.00 (lakhs)
100%	170.00 (lakhs)

Prepare Flexible Budget showing the cost of production 60%, 70%, 90% and 100% capacity.

2. a) Given below is the financial position of a Lavanya company selling price per unit Rs. 20, Material per unit Rs. 6, Fixed cost Rs. 20,000, Trade discount 5%, Labour per unit Rs. 4, Variable cost 100% of labour. 4
 You are required to calculate
 i) BEP
 ii) Profit if the sales increase by 10% of BEP
- b) Ashok Trading Company Ltd. manufacturer one product. 4

Particular	Ist Year	IInd Year
Sales Rs.	1,00,000	1,20,000
Fixed Cost Rs.	30,000	40,000
Variable Cost Rs.	50,000	65,000

Calculate:

- i) P/V Ratio ii) BEP
 iii) Contribution iv) Margin of safety

OR

- c) Given data: 8
 Selling price per unit Rs. 40
 Variable cost per unit Rs. 24
 Fixed cost Rs. 60,000
 Calculate:
 i) Profit volume ratio
 ii) B.E.P.
 iii) Sales to earn a 20% profit on sales.
 iv) Additional sales to earn a additional profit Rs. 8,000.

3. a) Calculate Operating Profit Ratio & Net Profit Ratio. 4

Particular	Rs.
Gross Profit	2,00,000
Office Expenses	1,01,000
Selling Expenses	12,000
Rent from Building Received	4,500
Interest Paid	1,200
Loss on sale of investment	1,000
Interest (Cr.)	1,500

Discount allowed	2,400
Bed Debt	3,400
Marriage Expenses	1,000
Total Sales	5,00,000

- b) Trading and Profit and Loss Account Yogesh and Co. Ltd. for the year ending 31st March, 2023 is as under trading and Profit and Loss A/c. 4

Particulars	Rs.	Particulars	Rs.
To Opening Stock	4,00,000	By Sales	32,00,000
To Purchases	24,00,000	By Dividend	9,000
To Manufacturing Exp.	80,000	By Closing Stock	5,40,000
To Administrative Exp.	1,68,000		
To Selling Exp.	1,60,000		
To Financial Exp.	20,000		
Net Profit	5,21,000		
	37,49,000		37,49,000

Compute:

- i) Stock Turn over Ratio.
- ii) Gross Profit Ratio.
- iii) Net Operating Profit Ratio
- iv) Net Profit Ratio

OR

- c) Following is the Profit and Loss Account and Balance Sheet of a company. Redraft Income statement for the purpose of analysis and calculate following ratio: 8
- i) Gross Profit Ratio
 - ii) Current Ratio
 - iii) Liquidity Ratio
 - iv) Stock Turn over Ratio
 - v) Debt Equity Ratio

Profit and Loss Account

Particulars	Rs.	Particulars	Rs.
To Opening stock of finished goods	1,00,000	By Sales	10,00,000
To Opening stock of Raw materials	50,000	By Closing stock of Raw material	1,50,000
To Purchase of Raw Materials	3,00,000	By closing stock of finished goods	1,00,000
To Direct Wages	2,00,000	By Profit on sales of shares	50,000
To Manufacturing Exp.	1,00,000		
To Administrative Exp.	50,000		
To selling and distribution Exp.	50,000		
To Loss on Sales of plant	25,000		
To Interest on debentures	10,000		
Net Profit	4,15,000		
	13,00,000		13,00,000

Balance Sheet

Liabilities	Rs.	Assets	Rs.
Equity Share Capital	1,00,000	Fixed Assets	2,50,000
Preference Share Cap.	1,00,000	Stock of Raw Material	1,50,000
Reserves	1,00,000	Stock of Finished goods	1,00,000
Debentures	2,00,000	Sundry Debtors	1,00,000
Sundry Creditors	1,00,000	Bank Balance	50,000
Bills Payable	50,000		
	6,50,000		6,50,000

4. a) Balance sheet on Kewal Company Ltd. on 31st Dec. 2022 and 31st Dec. 2023 on as follows: 4

Liabilities	2023	2022	Assets	2023	2022
Share Capital	1,25,000	1,00,000	Land & Building	95,000	1,00,000
General Reserve	30,000	25,000	Plant & Machinery	84,500	75,000
P/L Account	15,400	15,250	Stock	37,000	50,000
Bank Loan (Short term)	---	35,000	Debtors	32,100	40,000
Creditors	67,500	75,000	Cash	300	250
Tax Provision	17,500	15,000	Cash at Bank	4,000	--
			Goodwill	2,500	--
	2,55,400	2,65,250		2,55,400	2,65,250

Prepare a statement of change in working capital of Kewal Company Ltd.

- b) From the following information prepare statement of sources and uses of fund for the year ended 31st Dec. 2023. 4
- 1) Machinery Purchase for cash Rs. 1,20,000
 - 2) 8,000 shares of Rs. 10 each were issued.
 - 3) Goodwill of Rs. 20,000 written off.
 - 4) Preliminary expenses Rs. 16,000 were written off.
 - 5) Dividend off Rs. 28,000 was paid.
 - 6) Depreciation of Rs. 10,800 was provided on fixed assets.
 - 7) Rs. 36,000 were transferred to General Reserve.
 - 8) A machine costing Rs. 12,400 (after depreciation) was sold for Rs. 16,000.
 - 9) Net profit for the year Rs. 1,00,000.

OR

- c) Balance Sheet of Kalpana Company Ltd. are as 8

Particular	2022 Rs.	2023 Rs.
Fixed Assets	4,00,000	3,20,000
Investment	50,000	60,000
Stock	2,40,000	2,10,000
Debtors	2,10,000	4,55,000
Bank Account	1,49,000	1,97,000
	10,49,000	12,42,000
Share Capital	4,50,000	4,50,000
General Reserve	3,00,000	3,10,000

Profit & Loss Account	56,000	68,000
Sundry Creditors	1,68,000	1,34,000
Mortgage Loan	---	2,70,000
Tax Provision	75,000	10,000
	10,49,000	12,42,000

Adjustment:

- i) Investment costing Rs. 8,000 was sold for Rs. 8,500.
- ii) Tax Provision during the year Rs. 9,000.
- iii) Fixed assets costing Rs. 10,000 was sold for Rs. 12,000.
- iv) Dividend was paid during the year Rs. 40,000.

Prepare statement of changes in working capital and fund flow statement.

5. Write answer in short.

- a) What do you mean by Flexible Budget. 2
- b) Write the importance of Break Even Point. 2
- c) State the importance of Ratio Analysis. 2
- d) Short notes on fund flow statement. 2
