

B.B.A. - II CBCS Pattern Semester-IV
UCB4C06 - Management Accounting

P. Pages : 4

Time : Three Hours



GUG/S/24/12030

Max. Marks : 80

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

1. a) Write importance of Management Accounting. 8
- b) From the following information for 60% activity prepare a flexible budget at 80% and 100% activity 8
- Production at 60% capacity = 600 units
Material at Rs. 100 per unit
Labour Rs. 40 per unit.
Direct Expenses @ Rs. 10 per unit
Factory expenses Rs. 40,000 (40% fixed)
Administrative Expenses Rs. 30,000 (60% fixed)

OR

- c) From following information supplied by Rai Ltd prepare a cash budget for the period from 1st September 2012 to 31st Dec. 2018 16

Months	Credit purchase	Credit sales	Wages	Selling Expenses	Overhead
July	85,000	1,60,000	32,000	8,000	10,000
August	92,000	1,85,000	37,000	9,500	11,500
September	1,00,000	2,10,000	42,000	10,500	13,000
October	1,20,000	2,45,000	49,000	12,500	14,500
November	90,000	1,78,000	35,500	8,900	10,500
December	98,000	1,82,000	36,000	9,000	11,000

Additional information:

- i) Expected cash balance on 1st September Rs. 10,500
- ii) Period of credit allowed to debtor 2 month
- iii) Period of credit allowed by creditors 1 month.
- iv) Lag in payment for wages, selling expenses and overhead 1 month
- v) Selling commission @ 2% on sales is payable one month after sales.
- vi) Expenditure on machinery worth Rs. 50,000 is payable in October
- vii) Expected cash sales per month Rs. 15,000 No commission is payable on cash sales.

2. a) From the following find out Break-Even-Point 8
- | | |
|------------|--------------|
| When Sales | Rs. 1,00,000 |
| Fixed Cost | Rs. 20,000 |
| Profit | Rs. 30,000 |

- b) Following information of Ram product ltd. Shows 8

Year	Sales(Rs)	Profit (Rs)
2001	20000	1000
2002	18000	400

Calculate

- i) P/V Ratio
- ii) Fixed cost
- iii) Variable cost for two years
- iv) Margin of safety if profit is Rs. 1,600

OR

- c) Calculate: 16
- i) B. E. P.
 - ii) Net profit for the sale of Rs. 2,00,000
 - iii) Margin of safety on profit of Rs. 10,000
 - iv) Sales to earn a profit of Rs. 12,000
 - v) If 25% increase in fixed cost then BEP
 - vi) Sale at sold unit to earn a permit profit of Rs. 2
- When selling price per unit Rs. 20
Variable cost per unit Rs. 15
Fixed cost Rs. 30,000

3. a) Calculate operating profit Ratio and Net profit Ratio. 8

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
Bad debt	3,400
Marriage Expenses	1,000
Total Sales	5,00,000

- b) Gross profit Ratio = 25%, Net Profit Ratio = 20% Gross Profit = Rs. 1,20,000. Calculate Sale and Net profit. 8

OR

- c) Following are the Balance sheet of the company of the same date with supplementary information.

Liabilities	Company A	Company B
Sundry Creditors	3,600	5,800
Bank overdraft	1,125	1,480
Provision for Taxation	2,000	1,500
Provision for Depreciation	2,000	5,000
Paid up Capital	20,000	35,000
Reserve	5,000	6,000
Profit and Loss Account	1,275	10,220
	35,000	65,000
Stock	6,600	9,300
Machinery	4,900	9,200
Building	12,000	24,000
Goodwill	3,000	5,000
	36,500	47,500
Sales	84,000	1,05,000
Average stock	6,300	10,000
Gross profit	21,000	25,000

Calculate the following ratios in respects of each company and interpret them.

- i) Stock Turnover Ratio ii) Gross profit Ratio
 iii) Current Ratio iv) Liquid Ratio
 v) Operations Ratio

4. a) From the following balance sheet as on 31st Dec 2017 and 2018. You are required to prepare statement showing changes in working capital and fund flow statement.

8

Particular	2017 (Rs)	2018 (Rs)
Cash	30,000	47,000
Debtors	1,20,000	1,15,000
Stock in trade	80,000	90,000
Land	50,000	66,000
	2,80,000	3,18,000
Share capital	2,00,000	2,50,000
Trade creditors	70,000	45,000
Retain earning	10,000	23,000
	2,80,000	3,18,000

- b) Balance sheet of Ram company is as follow prepare fund flow statement.

8

Assets	2019 (Rs)	2018 (Rs)
Cash	4,700	3,000
Bills Receivable	11,500	12,000
Land	6,600	5,000
Stock	9,000	8,000
	31,800	28,000
Creditors	2,000	1,000
Bills payable	2,500	6,000
Share capital	25,000	20,000
Profit and loss account	2,300	1,000
	31,800	28,000

Adjustment

- i) Dividend was paid during the year Rs. 2,500

OR

- c) Following were Balance sheet of Rajesh company Ltd. for the year ended on 31st Dec. 2017 and 2018.

16

Balance Sheet

Liabilities	2017	2018	Assets	2017	2018
Share capital	1,00,000	1,50,000	Building	1,00,000	70,000
Share premium	-	5,000	Machinery	30,000	45,000
Capital	-	20,000	Debtors	20,000	83,000
Reserve(Profit on sale of building)					
Retain earning	19,000	41,000	Stock	15,000	60,000
Creditors	50,000	60,000	Cash	2,000	17,000
			Preliminary expenses	2,000	1,000
	1,69,000	2,76,000		1,69,000	2,76,000

Additional information:

- i) Rs. 3,000 depreciation on machinery was charged during the year.
- ii) Dividend paid during the year was Rs. 6,000
- iii) You are required to prepare a) statement showing increase or decrease in working capital b) fund flow statement.

5. Write short note.

- a) Limitation of Management Accounting
- b) Need of the Break Even Point.
- c) Significance of the ratio analysis.
- d) Concept of fund flow statement.

4

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