

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

P. Pages : 5

Time : Three Hours



**GUG/W/23/12046**

Max. Marks : 80

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

1. a) Write any five points of difference between Management accounting and Financial accounting. 8
- b) M/s. Sonam Co. Ltd. produces 15000 units at 50% capacity at which cost is Rs. 720 per unit. The cost is made up as- 8

Particular	Rs.
Materials	Rs. 400
Wages	Rs. 120
Factory overhead	Rs. 120 (40% fixed)
Office overhead	Rs. 80 (50% fixed)
Selling price	800 per unit

At 60% capacity materials increase by 2% and sales price falls by 2%, At 80% capacity materials increase by 5% and selling price fall by 5%.

Prepare Flexible budget.

**OR**

- c) Summarised below are the Income and Expenditure Forecasts for the months of March to August 2019. 16

Month	Credit sales Rs.	Credit purchases Rs.	Wages	Manufacturing expenses	Office Exp. Rs.	Selling Exp. Rs.
March	60,000	36,000	9,000	4,000	2,000	4,000
April	62,000	38,000	8,000	3,000	1,500	5,000
May	64,000	33,000	10,000	4,500	2,500	4,500
June	58,000	35,000	8,500	3,500	2,000	3,500
July	56,000	39,000	9,500	4,000	1,000	4,500
August	60,000	34,000	8,000	3,000	1,500	4,500

You are given the following further information:

- a) Plant costing Rs. 16,000 is due delivery in July payable 10% on delivery and the balance after 3 months.
- b) Advance tax of Rs. 8,000 is payable in March and June each.
- c) Period of credit allowed.
  - i) by supplies 2 month and
  - ii) to customers 1 (one) month
- d) Lag in payment of manufacturing Exp. ½ month
- e) Lag in payment of all other expenses 1 (one) month.

Prepare a cash budget for three month starting on 1<sup>st</sup> May 2019, when there was a cash of Rs. 8,000.

2. a) The PV Ratio of a firm dealing in precision instruments is 50% and the margin of safety is 40%. 8  
 You are required to workout.  
 i) Contribution on Total Sales  
 ii) Break even point  
 iii) Fixed cost and  
 iv) Net profit if the sales value is Rs. 50,00,000.

- b) Cost construction for 2018 and 2019. The information is available from the book of M/s. Poonam Company as under: 8

Year	Sales Rs.	Profit	Loss
2018	2,40,000	--	20,000
2019	4,40,000	20,000	--

Find out:

- 1) PVR
- 2) Break Even Point
- 3) Profit on a desired sales of Rs. 4,00,000
- 4) Sales on a desired profit of Rs. 30,000
- 5) Margin of safety for the year 2019.

**OR**

- c) In a Factory Cost per unit:- 16

Particulars	Per unit cost
Cost of Materials	Rs. 5
Cost of Labour	Rs. 3
Cost of variable overhead	Rs. 1
Selling price	Rs. 12
Units are produced and sold in the year 2019	9000 units
Fixed overhead for the year 2019	Rs. 18,000

Find out:

- 1) Marginal cost per unit
- 2) Contribution per unit
- 3) Total Variable cost
- 4) Total contribution
- 5) Net profit
- 6) Break even sales
- 7) Margin of safety
- 8) Unit required to be sold to earn a profit of Rs. 15,000 (Fifteen Thousand).

3. a) M/s. Pradyumant Company's Financial position for the year 31<sup>st</sup> December 2019 is as follows. 8

Sales:		5,00,000
Less : Cost of Goods sold		<u>2,00,000</u>
Gross profit		3,00,000
Less : Operating Expenses		
Administrative Expenses	50,000	
Distribution Expenses	30,000	
Selling Expenses	<u>20,000</u>	1,00,000
Net profit		<b>2,00,000</b>

Find out:

- 1) Gross profit ratio
- 2) Net profit ratio
- 3) Operating ratio
- 4) Administrative Exp. ratio
- 5) Distribution Exp. ratio
- 6) Selling Exp. Ratio

b) Following is the particulars of M/s. Kiran Enterprises Ltd.

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Particulars	₹	₹
Cash Sales	80,000	
Credit Sales	<u>45,000</u>	
	1,25,000	
- Sales Return	<u>5,000</u>	
		1,20,000
- Cost of production		<u>80,000</u>
Gross Profit		40,000
- Selling Exp.	12,000	
- Administrative Exp	<u>8,000</u>	
		20,000
Net Profit		<b>20,000</b>

Average stock was Rs. 20,000

Find out:

- 1) Gross Profit Ratio
- 2) Operating Net Profit Ratio
- 3) Operating Ratio
- 4) Selling Exp. Ratio
- 5) Stock turnover Ratio

**OR**

c) The Balance Sheet of a M/s. Lila Company is given and is prepared on 31<sup>st</sup> March 2019.

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Liabilities	₹	Assets	₹
Equity share capital	3,00,000	Goodwill	2,00,000
Reserve Fund	1,50,000	Land & Building	3,00,000
8% Debentures	2,00,000	Plant & Machinery	2,50,000
Mortgage Loans	4,00,000	Patents	50,000
Sundry Creditors	50,000	Stock in Trade	1,50,000
Bills Payable	25,000	Sundry Debtors	1,00,000
Bank Overdraft	40,000	Bills Receivable	80,000
Outstanding Exp.	10,000	Marketable Securities	18,000
Tax Liability	15,000	Cash Balance	40,000
		Prepaid Expenses	2,000
	<b>11,90,000</b>		<b>11,90,000</b>

Using the information given in the above Balance Sheet, Calculate the following Ratio:

- 1) Current Ratio
- 2) Acid Test Ratio
- 3) Stock (Inventory) Turnover Ratio
- 4) Debtors Turnover Ratio

- 5) Creditors Turnover Ratio
- 6) Average collection period
- 7) Average payment period
- 8) Working Capital Turnover Ratio

Additional Information:

- 1) Total No. Working Day's in the year 365 days.
- 2) Stock in Trade on 31<sup>st</sup> March 2018 Rs. 1,00,000
- 3) Sales during 2018-2019 Rs. 5,00,000 and purchases Rs. 3,00,000
- 4) Trade Debtors include Sundry Debtors and Bill's Receivable and on 31.03.2018 the total amount was Rs. 70,000
- 5) Trade creditors include sundry creditors & bills payable and on 31.03.2018 the trade creditors was Rs. 35,000.

4. a) From the following Balance Sheet prepare a Fund Flow Statement with a supporting schedule of working capital.

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	2012	2013
<b>Assets:</b>		
Cash	30,000	45,000
Bill Receivable	50,000	42,000
Land & Building	30,000	80,000
Stock	20,000	33,000
	<b>1,30,000</b>	<b>2,00,000</b>
<b>Liabilities:</b>		
Share Capital	75,000	95,000
Payable Securities (Short term)	20,000	60,000
Bills Payable	15,000	12,000
Profit & Loss A/c.	10,000	14,000
Provision for Depreciation	10,000	19,000
	<b>1,30,000</b>	<b>2,00,000</b>

- b) Given:

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Particulars	₹
Retained earnings (1 <sup>st</sup> April 2018)	30,500
Retained earnings (31 <sup>st</sup> March 2019)	30,600
Depreciation on fixed assets	24,000
Transfer to general Reserve	10,000
Dividend paid	23,000
Provision for tax made during the year	33,000
Profit on sale of investment	2,100
Goodwill written off	6,000
Sale of Fixed Assets	40,000

Find out Fund from operation.

**OR**

- c) From the two balance sheets as on 31<sup>st</sup> December 2018 and 31<sup>st</sup> December 2019, you are required to prepare statement showing the flow of fund.

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Particulars	2018	2019
<b>Liabilities:</b>		
Trade Creditors	31,200	29,100
Short Term Liabilities	16,300	14,900
Outstanding Expenses	7,500	8,000
Mortgage Loan	10,000	15,000
Share Capital	50,000	65,000
Retained Earning	14,750	17,000
	<b>1,29,750</b>	<b>1,49,000</b>
<b>Assets:</b>		
Cash	15,000	9,000
Debtors	23,500	25,000
Stock	36,500	42,000
Investment	5,000	--
Fixed Assets	44,750	73,000
Goodwill	5,000	--
	<b>1,29,750</b>	<b>1,49,000</b>

Additional Information:

- 1) During the year 2019 depreciation provided on Fixed Assets Rs. 1,750
- 2) Goodwill written off by retained earnings.
- 3) During the year 2019 dividend paid Rs. 3,500.

5. Write short answer from the following.

- a) State the advantage of Budgetary Control? 4
- b) What do you mean by Break Even Point state its advantages? 4
- c) Write the limitations of Ratio Analysis? 4
- d) Explain the objectives of Fund Flow statement? 4

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