

B.M.S. COLLEGE FOR WOMEN, AUTONOMOUS
BENGALURU – 560004
SEMESTER END EXAMINATION – SEPTEMBER 2023

B.B.A. – 4th Semester

MANAGEMENT ACCOUNTING
(NEP Scheme 2021-22 onwards)

Course Code: BBA4DSC10
Duration: 2 ½ Hours

QP Code: 4024
Max marks: 60

SECTION-A

Answer any FIVE of the following questions. Each question carries TWO Marks. (5X2=10)

- Define management accounting.
- State the objectives of management accounting.
- List out the profitability ratios.
- What do you mean by cash flow statement?
- What is marginal costing?
- Mention the types of budget.
- If current ratio is 3:1, liquid ratio is 1:1, current liabilities are ₹ 1,80,000 then find stock.

SECTION- B

Answer any FOUR of the following questions. Each question carries FIVE Marks. (4X5=20)

- Distinguish between financial accounting and management accounting.
- What is budgetary control? Elucidate the objectives of budgetary control.
- You are given the following data for the year 2022:
Variable cost – ₹ 6,00,000, Fixed cost - ₹ 3,00,000, Net profit - ₹ 1,00,000, Sales - ₹ 10,00,000.
Find out:
a) PV Ratio
b) BEP
c) Profit when sales amounted to ₹ 12,00,000
- A company is expecting to have ₹ 25,000 cash in hand on 1st April 2022 and it requires you to prepare cash budget for the three months April to June 2022. The following information is supplied to you:

	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
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Other information:

- Period of credit allowed by suppliers is 2 months
- 25% of sale is for cash and the period of credit allowed to customers for credit sale is 1 month
- Delay in payment of wages and expenses 1 month
- Income tax ₹ 25,000 is to be paid in June 2022.

6. Prepare a flexible budget for production at 80% capacity on the basis of following information:

Production at 50% capacity – 5000 units

Raw materials – ₹ 80 per unit

Direct labour – ₹ 50 per unit

Direct expenses – ₹ 15 per unit

Factory expenses – ₹ 50000 (50% Fixed)

Administrative Expenses – ₹ 60000 (60% Variable)

SECTION- C

Answer any TWO of the following questions. Each question carries TWELVE Marks (2X12=24)

7. The sales and profit for two years are as below:

Year	Sales	Profit
2021	150000	20000
2022	170000	25000

Calculate:

- PV Ratio
- Fixed cost
- Break-Even Point
- Sales required to earn a profit of ₹ 40,000
- Margin of Safety at a profit of ₹ 1,25,000
- Variable cost of the two years
- Profit when sales are ₹ 1,80,000

8. A company supplies the following information:

Balance Sheet

Capital and Liabilities	₹	Assets	₹
Share Capital	2,00,000	Goodwill	1,20,000
Reserves and Surplus	58,000	Plant and Machinery	1,50,000
Debentures	1,00,000	Stock	80,000
Creditors	40,000	Debtors	45,000
Bills Payable	20,000	Cash	17,000

Other Current Liabilities	2,000	Misc. Current Assets	8,000
	4,20,000		4,20,000

Sales (credit) for the year = ₹ 4,00,000

Gross Profit = ₹ 1,60,000

Calculate:

- Current Ratio
- Quick Ratio
- Inventory Turnover Ratio
- Debtors Turnover Ratio
- Average Collection Period
- Proprietors' Funds to Liabilities Ratio

9. The balance sheets of Blooms Ltd as on 31.03.2022 and 31.03.2023 were as follows:

Particulars	31.03.2022	31.03.2023
Assets:		
Land and Buildings	80,000	1,20,000
Plant and Machinery	5,00,000	8,00,000
Stock	1,00,000	75,000
Sundry Debtors	1,40,000	1,50,000
Prepaid Expenses	14,000	12,000
Cash at Bank	16,000	18,000
	8,50,000	11,75,000
Liabilities and Capital:		
Share Capital	5,00,000	7,00,000
P & L A/c	1,00,000	1,60,000
General Reserve	50,000	70,000
Sundry Creditors	1,63,000	2,00,000
Bills Payable	30,000	40,000
Outstanding Expenses	7,000	5,000
	8,50,000	11,75,000

Additional Information:

- ₹ 50,000 depreciation has been charged to plant and machinery during the year 2023
- A piece of machinery was sold for ₹ 8,000 during 2023. It had cost ₹ 12,000, depreciation of ₹ 7,000 has been provided on it.

Prepare Cash Flow Statement from the above details

SECTION-D

Answer any One of the following questions, carries Six Marks.

(1X6=06)

10. Prepare a break-even chart with imaginary figures.

11. Draft a balance sheet with imaginary figures and calculate liquidity ratios

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