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V Semester B.B.A. Degree Examination, March - 2021

BUSINESS ADMINISTRATION

Management Accounting

CBCS (F) (2018 Batch Only)

Paper : 5.4

Time : 3 Hours

Maximum Marks : 70

Instructions to Candidates:

Answer should written in English only.

SECTION - A

Answer any **Five** of the following sub-questions. Each sub-questions carries **Two** marks. (5×2=10)

1. a) Define Management Accounting.
- b) What do you mean by operating profit?
- c) Give any two advantages of Ratio Analysis.
- d) State any two differences between Fund Flow statement & Cash Flow statement.
- e) Write any 4 components of current assets.
- f) Mention any 4 types of profitability Ratios.
- g) What is meant by Budgetary control?

SECTION - B

Answer any **Three** of the following. Each questions carries **Six** marks. (3×6=18)

2. Differentiate between cost Accounting and Management Accounting.
3. What is meant by Fund flow statement? What are the uses of preparing fund flow statement?
4. The following are the sales and profit for two periods are given below you are required to find out
 - a) P/v Ratio
 - b) BEPSales for 2019 : Rs.8,00,000 and
for 2020 : Rs.10,00,000
Profit for 2019 : Rs.40,000 and
for 2020 : Rs.1,00,000

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5. From the following details calculate funds from operations as on 31/12/2020.
The current year's profit of Sharada Ltd is Rs.80,000, after incorporating the following.

Depreciation	Rs.45,000
Goodwill written off	Rs.12,000
Loss on sale of furniture	Rs.5,000
Profit on sale of Investment	Rs.15,000
Tax Provision	Rs.35,000
Dividend paid	Rs.40,000
Preliminary expenses	Rs.5,000
Transfer to General Reserve	Rs.25,000

6. Draw up a flexible budget for overhead expenses on the basis of the following data.
Determine the over head rate at 70% & 90% capacity.
Overheads at the capacity level of 80% is given below.

Particulars	Rs.
<u>Variable Overheads:</u>	
Indirect labour	9,00,000
Stores including Spares	3,00,000
<u>Semi - variable Over heads:</u>	
(Power - (30% Fixed, 70% Variable)	15,00,000
Repairs - (60% Fixed, 40% Variable)	5,50,000
<u>Fixed overheads</u>	
Depreciation	8,25,000
Insurance	2,25,000
Salary	7,50,000

SECTION - C

Answer any **Three** of the following. Each question carries **14** marks.

(3×14=42)

7. Current Ratio = 2.5
Liquidity Ratio = 1.5
Stock turnover Ratio = 6
Fixed asset to networth = 1.1
Reserves to share capital = 0.5:1
Net working capital = Rs.3,00,000
Gross Profit Ratio = 20%
Fixed assets turnover Ratio = 2
Average debt collection period = 2 months
From the above details draw up a balance sheet.



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8. The cost of an article at a capacity level of 5,000 units is as under. Prepare a flexible budget from the following informations at production level of 4,000 units & 6,000 units, also calculate CPU for all the levels.

Particulars	(Rs) Amount
Materials	25,000
Labour	15,000
Power	1,250
Repair & Maintenance	2,000
Stores	1,000
Inspection	500
Depreciation	10,000
Administration Overhead	5,000
Selling Over head	3,000
Total	<u>62,750</u>

9. The following data are available from the records of a company.

Sales Rs.60,000

Variable cost Rs.30,000

Fixed cost Rs.15,000

Calculate:

- a) P/v Ratio, Break even point and Margin of safety at this level
b) Calculate the effect of 10% increase in sale price.
c) Calculate the effect of 10% decrease in sale price.

10. The following are the summarised Balance sheet of a company as on 31st December 2019 & 2020.

Liabilities	2019	2020	Assets	2019	2020
Share capital	1,00,000	1,25,000	Land of Building	1,00,000	95,000
General Reserve	25,000	30,000	Machinery	75,000	85,500
Profit & Loss a/c	15,250	15,300	Stock	50,000	37,000
Bank Loan (long term)	35,000	-	Sundry debtors	40,000	32,100
Sundry creditors	75,00	67,600	Cash	250	300
Provision for taxation	15,000	17,500	Bank	-	4,000
			Prepaid Expenses	-	1,500
Total	2,65,250	2,55,400	Total	2,65,250	2,55,400

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Additional Informations:

During the year ended December 31st - 2020:

- a) Dividend of Rs.11,500 was paid.
 - b) Assets of another company were purchased for a consideration of Rs.25,000. Payable in shares, the following assets were purchased stock Rs.10,000 and Machinery Rs.15,000.
 - c) Machinery was further purchased for Rs.4,000.
 - d) Depreciation written off an machinery Rs.6,000.
 - e) Income tax Provided during the year Rs.16,500.
 - f) Loss on Sale of Machinery Rs.100 was written off to General Reserve.
- You are required to prepare a cash flow statement.

11. Following is the Balance sheet of M/s Manu & Sons for the year Ending 31st March 2018 & 2019. Prepare.

Find flow statement.

Liabilities	Rs.		Assets	Rs.	
	2018	2019		2018	2019
Equity Shares	10,00,000	10,00,000	Goodwill	12,000	10,000
Reserves & Surplus	14,000	18,000	Buildings	77,000	72,000
Profit & Loss A/c	16,000	3,000	Investments	9,10,000	9,03,000
Sundry creditors	8,000	5,400	Stock	32,000	26,000
Bills Payable	1,200	800	Debtors	18,000	19,000
Provision for taxation	16,000	18,000	Cash	6,600	15,800
provision for doubtful debts	400	600			
Total	10,55,600	10,45,800	Total	10,55,600	10,45,800

Additional Information:

- a) Depreciation provided during the year on Building is Rs.8,000
- b) Provision for taxation Rs.19,000 was made during the year
- c) Interim in dividend paid Rs.8,000