



64524

V Semester B.B.A. Examination, March/April 2024
(CBCS) (Repeaters)
BUSINESS ADMINISTRATION
Paper – 5.4 : Management Accounting



Time : 3 Hours

Max. Marks : 70

Instruction : Answer should be in **English only**.

SECTION – A

1. Answer **any five** sub-questions, **each** sub-question carries **two** marks. **(5×2=10)**
- State any 2 objectives of Management Accounting.
 - Name any 2 tools used for analyzing the financial soundness of a company.
 - Calculate current assets and current liabilities, when current ratio is 3 : 1 and working capital ₹ 50,000.
 - State any two differences between funds flow statement and cash flow statement.
 - What is meant by Break Even Chart (BE-Chart) ? Why it is prepared ?
 - What is meant by Budgetary control ?
 - GP ratio is 30%, Gross profit is ₹ 2,00,000. Calculate the cost of goods sold.

SECTION – B

Answer **any three** questions, **each** question carries **six** marks. **(3×6=18)**

- Distinguish between Financial accounting and Management accounting.
- What is meant by funds flow statement ? What are the uses of preparing FFS ?
- Determine the cost of goods sold from the following.
Current liabilities ₹ 6,00,000, Current Ratio 2, Liquid ratio 1.5 and Inventory turnover ratio 6 times.
- Given : Sales ₹ 5,00,000, fixed cost ₹ 1,00,000, variable cost ₹ 3,00,000.

Find out the following.

- P/V ratio.
- BEP and
- Sales required to earn a profit of ₹ 90,000.

P.T.O.



6. Calculate the 'cash flow from operating activities' from the following data :

Particulars	2022	2023
	₹	₹
P and L Appropriation A/c	60,000	80,000
B/R	15,000	20,000
Provision for depreciation	52,000	56,000
Outstanding salary	10,000	15,000
Prepaid rent	5,000	6,000
Goodwill	22,000	18,000
Stock	59,000	62,000

SECTION – C

Answer **any three** questions from the following questions. **Each** question carries **fourteen** marks. (3×14=42)

7. From the following particulars extracted from the books of Pooja Company Limited, compute the following ratios.

- Current ratio.
- Acid test ratio.
- Stock turnover ratio.
- Debtors turnover ratio.
- Creditors turnover ratio and
- Average collection period.

Particulars	1-4-2022	31-3-2023
	₹	₹
B/R	30,000	60,000
B/P	60,000	30,000
Sundry debtors	1,20,000	1,50,000
Sundry creditors	75,000	1,05,000
Stock-in-trade	96,000	1,44,000

Additional Information :

- On 31-3-2023 there were Assets : Building ₹ 2,00,000, Cash in hand ₹ 1,20,000, Cash at Bank ₹ 96,000.
- Cash purchase ₹ 1,38,000 and purchase returns were ₹ 18,000.
- Cash sales ₹ 1,50,000 and sales returns were ₹ 6,000.
- Rate of Gross profit 25% on sales and actual Gross profit was ₹ 1,50,000.



8. From the following Balance Sheets of Sunil Company Ltd., as at 31-3-2022 and 2023, prepare :

- A schedule of changes in working capital and
- Funds Flow Statement.

Liabilities	2022	2023	Assets	2022	2023
	₹	₹		₹	₹
Share capital	2,25,000	2,25,000	Fixed assets	2,00,000	1,60,000
General Reserve	1,50,000	1,55,000	Investment	25,000	30,000
P & L Account	28,000	34,000	Stock	1,20,000	1,05,000
Creditors	84,000	67,000	Debtors	1,05,000	2,27,500
Provision for tax	37,500	5,000	Cash at Bank	74,500	98,500
Mortgage loan	—	1,35,000			
Total	5,24,500	6,21,000	Total	5,24,500	6,21,000

Additional Information :

- Dividend paid during the year 2023 was ₹ 20,000
 - During 2023, a part of fixed assets costing ₹ 5,000 was sold for ₹ 6,000
 - Provision for taxation made during the year 2023 was ₹ 45,000
 - Investments costing ₹ 4,000 were sold during the year 2023 for ₹ 4,250.
9. Padmavathi Company Ltd., provides you the following Balance Sheets, you are required to prepare cash-flow statement as per AS-3.

Liabilities	2022	2023	Assets	2022	2023
	₹	₹		₹	₹
Equity share capital	2,50,000	3,75,000	Cash	75,000	37,500
Long term loans	1,25,000	1,25,000	Stock	1,50,000	2,37,500
Creditors	1,87,500	2,50,000	Debtors	1,00,000	1,50,000
Bills payables	2,50,000	3,75,000	Goodwill	2,50,000	1,87,500
Retained Earnings	2,25,000	2,50,000	P & M	1,25,000	2,50,000
			L & B	2,50,000	5,00,000
			Furniture	87,500	12,500
Total	10,37,500	13,75,000	Total	10,37,500	13,75,000

Additional Information :

- Depreciation ₹ 1,00,000 and Goodwill written off ₹ 62,500 during 2023
- Net profit for the year 2023 was ₹ 1,25,000



- 3) Rs. 1,00,000 dividend was paid during 2023
- 4) Equity shares were issued for cash ₹ 1,25,000
- 5) Furniture was sold for ₹ 75,000
- 6) Plant and machinery was purchased for cash ₹ 1,75,000 and land and building for ₹ 3,25,000
- 7) A machine has been sold for ₹ 18,750. The written down value of the machine was ₹ 50,000 and ₹ 25,000 depreciation is charged on the same in 2023.

10. The following information related to production and sale of an article for September and October 2016.

Particulars	September-2023	October-2023
Sales (₹)	3,80,000	6,50,000
Profit (₹)	—	30,000
Loss (₹)	24,000	—

Calculate :

- 1) Break-even sales value.
 - 2) Profit or Loss at ₹ 4,60,000 sales and
 - 3) Sales required to earn a profit of ₹ 50,000
11. The expenses budgeted for the production of 10,000 units are furnished below.

Particulars	₹ per unit
Material	70
Labour	25
Variable expenses (direct)	5
Variable overheads	20
Fixed overheads (₹ 1,00,000)	10
Administration expenses (₹ 50,000)	5
Selling expenses (10% fixed)	13
Distribution expenses (20% fixed)	7
Total cost	155

Prepare a flexible budget for 8000 units and 12000 units. Assume that the Administrative expenses remain fixed at all levels of production.