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IV SEMESTER BBA EXAMINATION, JULY/AUGUST-2023

061

SCHEME – SEMESTER –NEP
MANAGEMENT ACCOUNTING

Time: 2½ Hours

Max Marks: 60

Instructions to Candidates: Answer all parts.

PART – A

Answer any FIVE of the following. Each Question carries 2 Marks: 5x2=10

1. Mention the role of Management Accountant. CO1, LL1
2. List out Profitability Ratios. CO2, LL1
3. Mention any two items of cash flow from Operating Activity. CO3, LL1
4. Write a note on P/V ratio. CO4, LL1
5. What is Variance analysis? CO5, LL1
6. A Company producing articles sells it at Rs 500 each. The marginal cost of production is Rs 300 each & the fixed cost is Rs 2,00,000 p.a. Compute BEP. CO4, LL1
7. Calculate current Ratio & Liquid ratio:- CO2 LL1
Stock Rs 90,000; Debtors Rs 21,000.
Cash at Bank Rs 5000.
Creditors Rs 28,000
Bills payable Rs 12,000

PART – B

Answer any TWO of the following. Each Question carries 10 Marks: 2x10=20

8. Differentiate between Management Accounting & Cost Accounting. CO1, LL2
9. From the following Summary of cash account of Chandra Ltd. for the year ended 31st Dec 2022. Prepare a cash flow Statement by Direct Method. CO3 LL2

Particulars	Rs	Particulars	Rs
To Bal b/d	20,000	By payments to suppliers	7.25.000
To Share Capital	2,00,000	By Purchase of machinery	1,20,000
To Receipts from	9,50,000	By wages & Salaries	88,000

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Customers			
To Sale of plant	55,000	By overhead expenses	72,000
To Interest Received	40,000	Interest Paid	11,200
To Dividends Received	62,500		
To loans raised	1,12,000		
To other receipts	84,500		
	15,24,000		15,24,000

10. X Co. Ltd. finds that while it costs Rs 250 each to make component X, the same is available in the market at Rs 230 each with an assurance of continued supply. The Break-down costs are:-

CO4, LL2

No of components X to be manufactured	20,000
Materials	5,40,000
Labour	3,60,000
Variable overhead	1,00,000
Administration overhead (fixed)	50,000
Depreciation (fixed)	2,00,000
Total	12,50,000

Should you make or buy?

What would be your opinion if the supplier offered the component at Rs 194?

11. The Standard cost reveals the following information-

CO5, LL2

Material:-

Std price of Rs 40 per kg

Std Qty per unit 80 kgs

Labour-

Standard Rate Rs 8 per hour.

Hours set per unit 60, hours

Actual data are given below;

Actual material used 7800 kgs.

Actual material cost Rs163,800

Actual hours worked 6200

Actual labours cost Rs 27,900

Units produced 400 units

Calculate

- Material Cost Variances & Material Price Variance
- Labour Cost Variances & Labour Efficiency Variance.

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PART – C

Answer any TWO of the following. Each Question carries 15 Marks: 2x15=30

12. Explain objectives, advantages and disadvantages of Management Accounting. CO1 LL2

13 The following particulars relate to XYZ Ltd. CO4 LL2

Year	Sales	Profit
2021	1,20,000	10,000
2022	2,00,000	30,000

Assume the cost structure & Selling price remains the same, find out

- a) P/V Ratio.
- b) Fixed expenses
- c) BEP
- d) Profit when sales are Rs 3, 00,000
- e) Sales required to earn a profit of Rs 1, 00,000

14. Following is the Balance Sheet of MN Ltd.as on 31st Dec 2022 CO2 LL2

Liabilities	Amt	Assets	Amt
Equity Share Capital	2,00,000	Plant & machinery	2,00,000
10% pref.Share Capital	1,00,000	Land & Buildings	2,00,000
Reserves & Surplus	1,00,000	Investments	50,000
Debentures	1,00,000	Stock	1,50,000
Lan on mortgage	50,000	Debtors	50,000
Public Deposits	50,000	Cash	1,00,000
Creditors	90,000	Preliminary Expenses	5,000
BOD	50,000	Good will	5,000
Bill Payable	20,000		
	7,60,000		7,60,000

Net sales during the year Rs 17,60,000.
you are required to calculate:-

- a) Current Ratio
- b) Debt equity Ratio
- c) Acid Test Ratio
- d) Proprietary Ratio
- e) Fixed Assets turnover ratio
- f) Return on capital Employed

15 What do you mean by Marginal Costing? Explain features & assumptions of marginal Costing.

CO4, LL2

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