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Reg. No.

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IV Semester B.B.A. Degree Examination, September/October - 2022

BUSINESS ADMINISTRATION

Management Accounting

(CBCS Scheme -Freshers & Repeaters 2019)



Time : 3 Hours

Maximum Marks : 70

Instructions to Candidates:

Answers should be written in English only.

SECTION - A

I. Answer any Five.

(5×2=10)

1. a. Define management accounting.
- b. What do you mean by ratio analysis.
- c. What is meant by cash flow statement?
- d. What is contribution.
- e. What is angle of incidence.
- f. What is a cash budget.
- g. What is Budgeting.

SECTION - B

II. Answer any Three.

(3×5=15)

2. Write the difference between financial accounting and management accounting.
3. 'X' Ltd has a current ratio of 4:5:1 and a quick ratio of 3:1. If its inventory is Rs. 60,000. Find out the total current assets and total current liabilities.

[P.T.O.]



4. Calculate cash from operating activities from the following :

	31st March	
	2020	2021
Profit and loss account	60,000	65,000
Debtors	85,000	48,000
Bills receivable	40,000	81,000
General Reserve	1,72,000	2,07,000
Wages outstanding	26,000	8,000
Salaries prepaid	8,000	10,000
Goodwill	70,000	60,000

5. What is the actual sales?

Fixed cost	Rs. 8,000
Profit earned	Rs. 2,000
Break even sales	Rs. 40,000

SECTION - C

III. Answer any Three.

(3×15=45)

6. From the information given below, calculate the following ratio's.
- Quick ratio.
 - Stock turnover ratio.
 - Debt - equity ratio.
 - Return on investment

Further information :

Current assets	Rs. 5,00,000
Opening stock	Rs. 50,00,000
Closing stock	Rs. 1,50,000
Cost of goods sold	Rs. 12,00,000
Gross profit	Rs. 2,00,000
Indirect expenses	Rs. 20,000
Equity share capital	Rs. 7,00,000
10% prof share capital	Rs. 3,00,000
12% Debentures	Rs. 2,00,000
Current liabilities	Rs. 2,00,000
General Reserve	Rs. 1,00,000



7. The following details are available from a company

Assets	31-12-2020	31-12-2021
Cash	9,000	7,800
Debtors	14,900	17,700
Stock	49,200	42,700
Land	20,000	30,000
Goodwill	10,000	5,000
	1,03,100	1,03,200
Liabilities	31-12-2020	31-12-2021
Share capital	70,000	74,000
Debentures	12,000	6,000
Reserve for doubtful debts	700	800
Trade creditors	10,360	11,840
Profit and loss A/c	10,040	10,560
	1,03,100	1,03,200

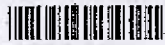
In addition, you are given.

- Dividend paid total Rs. 3,500.
 - Land purchased for Rs. 10,000.
 - Amount provided for amortisation of goodwill Rs. 5,000.
 - Debentures paid off Rs. 6,000, prepare cashflow statement.
8. The sales turnover and project during 2 years were as follows.

Year	Sales	Profit
2020	14,00,000	1,50,000
2021	16,00,000	2,00,000

You are required to calculate :

- P/V ratio.
- BEP for sales.
- Sales required to earn a profit Rs. 4,00,000.
- Profit when sales are Rs. 12,00,000.



9. From the following budget data of a toy manufacturing company at the end of April, May and June 2022.

Month	Sales	Purchase	Wages	Misc.
February	1,20,000	84,000	10,000	7,000
March	1,30,000	1,00,000	12,000	8,000
April	80,000	1,04,000	8,000	6,000
May	1,16,000	1,06,000	10,000	12,000
June	88,000	80,000	8,000	6,000

Additional information :

- Sales : 30% realised in the month of sales, discount allowed 3%. Balance realized equally in 2 subsequent months.
- Purchases : These are paid in the month following the month of supply.
- Wage : 20% paid in arrears following month.
- Miscellaneous : Paid a month in arrears.
- Expense rent : Rs. 2,000 per month paid quarterly in advance due in April.
- Income tax : First installment of advance tax Rs. 25,000 due and before 15th June.
- Income from investments : Rs. 5,000 received quarterly in April, July Etc.
- Cash - in - hand : Rs. 10,000 on 1st April 2022 prepare cash budget.