

(6) BCH-504(F1)

5. (a) What is meant by standard costs ? Discuss the advantages and applications of standard costing. (CO3)

OR

- (b) Explain the following : (CO3)

- (i) Objectives of Fund Flow Statement  
(ii) Uses of Variance Analysis

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Roll No. ....

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**B. COM. (H) (FIFTH SEMESTER)**  
**MID SEMESTER EXAMINATION, 2022**  
**MANAGEMENT ACCOUNTING**

**Time : 1½ Hours**

**Maximum Marks : 50**

**Note :** (i) Answer all the questions by choosing any *one* of the sub-questions.

(ii) Each question carries 10 marks.

1. (a) 'Management Accounting is concerned with accounting information that is useful to Management'. Comment and define Management Accountancy. How does it differ from Financial Accounting ? (CO1)

OR

- (b) The Balance Sheets of ABC Ltd. were as follows : (CO1)

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Liabilities	2020 (₹)	2021 (₹)
Share capital	2,00,000	2,00,000
Profit & Loss	30,000	31,000
Sundry creditors	8,000	5,400
Bills payable	1,200	800
Provision for taxation	16,000	18,000
Provision for doubtful debts	400	600
<b>Total</b>	<b>2,55,600</b>	<b>2,55,800</b>

Assets	2020 (₹)	2021 (₹)
Machinery	87,000	86,000
Building	52,000	48,000
Investment	78,000	80,000
Stock	30,000	23,400
Bills Receivable	2,000	3,200
Cash at bank	6,600	15,200
<b>Total</b>	<b>2,55,600</b>	<b>2,55,800</b>

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Additional Information :

Depreciation charged to machinery ₹ 4,000. Provision for taxation ₹ 19,000 was made during 2021. Prepare a Cash Flow Statement for the year 2021.

2. (a) Differentiate between Cash flow Analysis and Fund Flow Analysis. (CO1)

OR

- (b) The Balance sheet of Sandeep Ltd. as on 31st March, 2020 was as under : (CO1)

Liabilities	Amount (₹)
Share Capital	1,00,000
P & L A/c	58,000
Debentures	1,00,000
Creditors	35,000
Bills Payable	20,000
Other current liabilities	2,000
<b>Total</b>	<b>3,15,000</b>

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Assets	Amount (₹)
Goodwill	70,000
Plant & Machinery	1,00,000
Stock	80,000
Debtors	40,000
Cash	17,000
Other current assets	8,000
<b>Total</b>	<b>3,15,000</b>

Sales for the year ₹ 3,00,000. Cost of Sales 2,40,000. You are required to calculate :

- (i) Current Ratio
- (ii) Quick Ratio
- (iii) Inventory Turnover Ratio (taking closing stock as average stock)
- (iv) Average Collection Period taking 360 days in a year).

3. (a) Explain Zero Based Budgeting and Performance Budgeting. (CO2)

(5)

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OR

- (b) "Ratio Analysis plays an important role in the process of decision-making in business." Examine this statement. (CO2)

4. (a) "Budgetary Control Improves planning, aids in co-ordination and helps in having comprehensive control." Elucidate the above statement. (CO2)

OR

- (b) With the following data for a 60% activity, prepare a budget for production at 80% and 100% capacity :

Production at 60% activity-600 units.

(CO2)

	₹
Material	₹ 100 per unit
Labour	₹ 40 per unit
Expenses	₹ 10 per unit
Factory expenses	₹ 40,000 (40% fixed)
Administrative expenses	₹ 30,000 (60% fixed)